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E·J Holdings Inc.

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The corporate governance of E·J Holdings Inc. (the "Company") is described below.

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

1. Basic Views

As the holding company of the E·J Group companies, we see practicing good corporate governance, which is the key to boosting the corporate value of the entire group and making its operations more transparent to our shareholders, as one of our most important management issues. It falls squarely in line with the Group Philosophy of "contributing to the creation of a truly affluent society through using our technology friendly to the global environment and our decision-making capabilities."

It is against this backdrop that we, as the E·J Group's holding company, are assigned management decision-making and supervisory functions, which are separate from the business execution functions of the individual operating companies, in order to ensure fair, transparent, and prompt management decision-making, operations, and supervision. This will enable the E·J Group to improve the quality of management and make prompt decisions in response to rapid changes in the business environment.

We wish to earn a higher level of trust and better reputation for our operations from all stakeholders, including customers, shareholders, local communities, and employees. To this end, we have established the Compliance Program and are working to build and maintain a system that enables all officers and employees of the E·J Group to fulfill their social responsibilities in full compliance with relevant laws and regulations and corporate ethics, with an eye to preventing any misconduct from occurring.

We established the nomination/compensation committee on April 1, 2019, the majority of whose members are independent outside directors and independent outside auditors, in order to ensure management transparency and further strengthen corporate governance. In addition to this, the Board of Directors has appointed four outside directors, who provide highly effective management oversight by expressing their opinions at meetings of the Board of Directors and other meetings from an independent, objective, and professional perspective. We have adopted the organizational structure of a company with a board of corporate auditors, in which two of the three auditors are outside auditors. Serving as a management check function, the Board of Corporate Auditors monitors the execution of duties by directors objectively and independently from the Board of Directors.

Reasoning Behind Not Implementing Each Principle of the Corporate Governance Code Updated

This Corporate Governance Report is prepared in accordance with the Corporate Governance Code (revised in June 2021).
We implement all principles of the Corporate Governance Code.

Disclosure Based on the Principles of the Corporate Governance Code Updated

[Principle 1.3 Basic Policy on Capital Policy]

To aim for a sustained increase in our corporate value, in addition to implementing growth investments based on a medium- to long-term management strategy and carrying out appropriate fund procurement in accordance with the situation, the Company will also perform management with consideration of our consolidated net sales, consolidated operating income, and target ROE level, and will strive to improve our capital efficiency. Specifically, in our sixth medium-term management plan (fiscal 2025 to fiscal 2027), as numerical targets for the final fiscal year, we have set net sales of 50 billion yen, operating income of 5.9 billion yen, a profit of 3.9 billion yen attributable to shareholders of the parent company, and an ROE of 10% or more. As part of our capital policy, we have specified our basic policy for cash allocation, under which operating cash flow generated over the three-year period will be allocated to growth investments of 6.5 billion yen plus additional amounts, including DX investments, R&D investments, human capital investments, and M&A investments, with at least 3.8 billion yen allocated to shareholder returns and the remainder retained as internal reserves. We will continue to aim for company management that is conscious of the cost of capital and stock price and will strive to enhance our capital efficiency. In addition, we resolved to alter our dividend policy on July 12, 2024 and our basic policy is for dividends twice annually, including an interim dividend. For the dividend level, we will place importance on consolidated results and the situation of free cash flow and will use the ratio of dividends to equity attributable to the owners of the parent (DOE) as an indicator reflecting capital policy. We will continue progressive dividends with a DOE of 3.0% or higher as a guideline and will implement the expansion of returns in a manner that is continuing and stable over the long term.

[Principle 1.4 Cross-Shareholdings]

The general principle of the Company is to acquire and hold shares for pure investment purposes. In the past, the Company held cross-shareholdings after conducting a comprehensive evaluation and verification of each individual stock regarding the economic rationality and significance of holding the stock, taking into consideration factors such as the necessity for business alliances and business purposes as well as the cost of capital. However, from the perspectives of further improving capital efficiency and strengthening corporate governance, the Company has reviewed its policy on cross-shareholdings and has decided to adopt a policy of, in principle, not holding cross-shareholdings going forward. Based on this policy, the Company will gradually sell its existing cross-shareholdings over approximately the next five years, with due consideration given to market conditions and the impact on business relationships, and aims in principle to fully dispose of all such holdings. In the fiscal year ended May 2026, the Company conducted partial sales of its cross-shareholdings (the book value of cross-shareholdings, including those held by consolidated subsidiaries, decreased by 44 million yen from the previous fiscal year). The

appropriateness of continuing to hold each cross-shareholding will continue to be reviewed annually by the Board of Directors, and the Company will respond appropriately based on the progress of the sales and individual circumstances.
As of May 31, 2026, the Company held nine listed cross-shareholding stocks with a book value of 143 million yen and a market value of 845 million yen, including holdings of consolidated subsidiaries. The amount of cross-shareholdings to be sold in the fiscal year ending May 2027 may fluctuate depending on stock market conditions; however, based on the current market value, the Company expects the amount to be approximately equivalent to such market value.

[Principle 1.7 Related-Party Transactions]
In accordance with the laws and regulations and internal rules, the Company's Board of Directors deliberates and decides on any transaction involving a director or other related party that is in competition with the company or may pose a conflict of interest (and reports on such a transaction after a decision is made). Before engaging in any related-party transaction, the responsible department verifies in advance, based on the internal approval procedure (i.e., reaching a decision by using a circular letter, or *ringi*), whether there is any conflict of interest so that the common interest of shareholders will not be impaired.

[Supplementary Principle 2.4.1 Securing Diversity in the Appointment, etc. of Core Human Resources]
Operating in a drastically changing business environment, the Company and its corporate group are required to make more flexible decisions than ever before. The Company believes that the exchange of opinions among people with diverse values who can think outside the box is one of the keys to improving corporate value and ultimately overcoming the obstacles in today's harsh business environment. The Company and our corporate group place an importance on fostering an environment in which employees can play an active role regardless of their gender or nationality. We believe that the active participation of women in particular is essential for the growth of the Company, and have recently set goals to achieve a 10% or higher ratio of women in management positions and a 100% ratio of men taking childcare leave by fiscal 2030. Since the fiscal year ended May 2024, we have disclosed our performance regarding these goals each year. (The ratio of women in management positions was 4.7% in the fiscal year ended May 2024, 4.8% in the fiscal year ended May 2025 and 5.4% in the fiscal year ended May 2026, and the ratio of men taking childcare leave was 60.9% in the fiscal year ended May 2024 and 76.5% in the fiscal year ended May 2025.) In order to achieve the goal, we are aiming for at least 30% women among new employee hires each year. The ratio of new employees who were women was 18.6% in the fiscal year ended May 2024 and 14.9% in the fiscal year ended May 2025, so this target was not met, and the ratio of women in management positions was almost unchanged from the previous year. However, we will continue to promote recruitment activities with the aim of maintaining a ratio of at least 30% women for new employee hires each year in order to achieve the goal.
With regards to the appointment of persons hired mid-career and foreign personnel to management positions, it is difficult to set targets because the situation is that we take a flexible approach based on the capabilities and experience of each individual, including, where necessary, appointing people directly to management positions at the time of their recruitment. However, we will go on to consider the setting of appropriate targets to actively encourage such appointments.
Additionally, the Company and our corporate group provide support for a variety of career paths and transitions in order to enhance the abilities of employees while creating a friendly workplace for people with various backgrounds and values. At the same time, the Company is promoting flexible working styles across the group, such as introducing and promoting remote work as part of its digital transformation initiative and establishing childcare and family care leave rules that encourage employees to take such leave, all with an eye to improving their work-life balance.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]
The Company and most of its group companies have adopted the Surveying & Design Enterprises Multi Employers Pension Fund, defined-benefit pension plans established within the Company's group, and defined-contribution pension plans. Among these, the Surveying & Design Enterprises Multi Employers Pension Fund and the defined-benefit pension plans established within the Company's group are managed with the objective of securing comprehensive income over the long term in order to ensure future pension benefits to beneficiaries.
With regard to the Surveying & Design Enterprises Multi Employers Pension Fund, as an industry-wide corporate pension fund, matters are deliberated at delegate meetings held twice a year, and the Company receives reports on the results. As for the defined-benefit pension plans established within the Company's group, in accordance with the basic policy on the management of pension assets, the fund and the fund management organizations provide the Company with reports on a quarterly basis (four times per year) on the management of pension assets, including investment performance, outstanding balances, profit and loss, transactions, and expenses. Based on the information provided in these reports, the responsible department performs operational management under the Director and General Manager of the CSR Department, who has expert knowledge, reviews the policy asset mix as appropriate, and reports on the asset management status at the regular meeting of the Board of Directors held at the end of the second quarter of each fiscal year to discuss investment and other matters. In addition, the management status of both the Surveying & Design Enterprises Multi Employers Pension Fund and the defined-benefit pension plans established within the Company's group is disclosed to the subscribers.
With regard to the selection of parties to whom management is outsourced, checks are performed regarding previous management results and regarding control systems, including governance, and monitoring is performed periodically after the management is started. Since the pension assets of the defined-benefit pension plans established by the Company's group companies are managed entirely by trust banks and life insurance companies and are not directly related to the exercising of voting rights, no conflict of interest arises in connection with the exercise of voting rights.

[Principle 3.1 Full Disclosure]
The Company will proactively provide information on the following matters.
(i) Corporate philosophy, management strategies and plans
The E·J Group has defined its corporate philosophy and formulated management strategies and the "E·J - Vision 2030," its long-term vision, which have been published on its website and other media. In addition, in July 2025, it newly defined its sixth medium-term management plan (fiscal year ending May 2026 to fiscal year ending May 2028) and conducted timely disclosure, and explains matters such as the basic policies and goals of the Group in investor relations activities for investors and other stakeholders.

(ii) Basic views on corporate governance, etc.

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(iii) Policies and procedures for determining director remuneration
1) Basic design of executive compensation plans
A. Director remuneration is designed to contribute to maximizing corporate value. Specifically, it consists of a fixed salary as monetary compensation, short-term performance-linked remuneration, and medium-term performance-linked stock compensation.
B. Remuneration, etc. is calculated in accordance with the established executive regulations and executive compensation regulations and bylaws and is aligned with the industry average based on a survey conducted by an external expert organization on other companies' compensation amounts.
C. Outside directors and outside corporate auditors receive only a fixed salary, as specified in the executive compensation regulations, in order to ensure that their function to supervise management is fully performed.
2) Procedures for determining executive compensation
A. The nomination/compensation committee (chaired by an outside director), in which the majority of members are outside directors, fully deliberates on establishing a director remuneration program and standards, examining and revising remuneration levels for each position, and allocating medium-term performance-linked stock compensation, and these matters are resolved by the Board of Directors.

(iv) Policies and procedures for the appointment and dismissal of representative directors and the nomination of candidates for directors and corporate auditors
Based on the succession plan resolved by the Board of Directors, the Company uses the following policies and procedures for the appointment and dismissal of representative directors by the Board of Directors and the nomination of candidates for directors and corporate auditors to be presented at the general meeting of shareholders.

1) Election and nomination
The Company's nomination/compensation committee fully deliberates on and selects candidates for directors and corporate auditors, taking into consideration the balance of knowledge, experience, and management skills of the Board of Directors as a whole, as well as its diversity and appropriate size, and the Board of Directors resolves upon such candidates. Based on the deliberations and reports of the nomination/compensation committee, the Board of Directors selects and nominates persons who meet the following criteria from among those who have excellent character and insight, outstanding management skills, and the ability to accurately execute operations and make the right management decision before submitting a proposal for their election along with the reasons for their nomination to the general meeting of shareholders. The Company discloses a skill matrix listing the knowledge, experience, abilities, and other attributes of each director in the notice of the general meeting of shareholders to make clear that the board has an optimal board composition and policies.
A. A candidate for representative director must be familiar with the overall operational status of the group including the Company as well as trends in the industry market and environment, in addition to having the ability to make high-level management decisions and execute operations appropriately with a broad vision.
B. A candidate for director in charge of particular operations must have expertise (i.e., knowledge, experience, etc.) in those operations, the ability to accurately perform duties, and leadership skills necessary for directing group companies.
C. A candidate for independent outside director must meet the Company's independence standards (see Principle 4.9) and have the advisory skills necessary to promote the sustainable growth of the Company and enhance its corporate value over the medium to long term.
D. A candidate for full-time corporate auditor must have sufficient information-collection and monitoring capabilities to ensure the activities of the Company and its group companies are legal.
E. A candidate for independent outside corporate auditor must meet the Company's independence standards (see Principle 4.9) and have the monitoring capability to ensure the legality of corporate activities.

2) Dismissal
If the Board of Directors determines that a representative director does not meet the criteria noted in (iv) 1) A. above, the Board of Directors will remove the representative director from his/her position following a deliberation and report by the nomination/compensation committee.

(v) Explanation of individual appointments, dismissals, and nominations
In response to the deliberation and report by the nomination/compensation committee, the Board of Directors selects individual candidates for directors and corporate auditors in consideration of the criteria noted in (iv) 1) above, and submits a proposal for their election along with the reasons for their nomination to the general meeting of shareholders. The Board of Directors also appoints or dismisses a representative director in response to a deliberation and report by the nomination/compensation committee, taking into consideration (iv) above and specific circumstances.

[Supplementary Principle 3.1.3 Initiatives for Sustainability, etc.]
The Company's Board of Directors receives reports on sustainability management-related issues and countermeasures that were discussed by the Sustainability Promotion Committee, and discusses and supervises response policies and implementation plans for the sustainable growth of the E·J Group.
The Company's long-term vision, "E·J - Vision 2030," defines the role that the E·J Group should play as "contributing to the realization of a sustainable society where people can have dreams and peace of mind." Also, in the newly established sixth medium-term management plan, the Company continues to build on the concept of ESG management and has adopted the promotion of sustainability management as one of four basic policies. As part of that, we are working on goals we have set for what should be achieved in the final year of the sixth medium-term management plan for each theme of (1) Initiatives to mitigate the burden on the environment, (2) Initiatives for social responsibility and human capital, (3) Initiatives for governance, and (4) Practicing management that is conscious of the cost of capital and stock price. These policies and goals are presented in

the sixth medium-term management plan. All of the group companies have expanded on these four basic policies with their own policies tailored to the operations they perform.
The Company actively provides career path training and specialized training every year, invests in research and development, and files patents for intellectual property since human resources, technology, and know-how are vital assets to the operations of the Company and its corporate group. The details are available via the Company's website and corporate reports.
Recognizing that addressing climate change and other environmental challenges is one of its most important management issues, the Company is focusing on "strengthening measures to mitigate the burden on the environment" as one of the basic policies outlined in its long-term vision, "E·J - Vision 2030." The Company has also announced its endorsement for the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in April 2022, and is working to actively disclose information, improve transparency, and engage in dialogue with stakeholders in line with the TCFD recommendations.
See the Company website for more information about its commitment to climate change and TCFD.
(Climate Change and TCFD initiatives: https://www.ej-hds.co.jp/en/sustainability/ejsus/tcfd.html)

[Supplementary Principle 4.1.1 Outline of Scope of Delegation to Management Personnel]
The Board of Directors resolves important business matters in accordance with laws and regulations, the Company's articles of incorporation, the rules of the Board of Directors, and detailed rules for matters to be discussed by the board and the handling of such matters, and delegates a portion of decision-making to executive directors. The scope of authority and responsibilities of the departments and positions to which decision-making is delegated are clearly defined in accordance with the internal rules for authority, organization, segregation of duties, and the decision-making/approval process and the delegation is only within the scope of the appropriate and necessary authority in accordance with the duties defined in the internal rules (such as expenditure authority for expenses and authority in personnel affairs).
Executive directors report to the Board of Directors on the performance of their assigned duties and progress with management issues as appropriate. Other directors and corporate auditors make recommendations and comment on reports from executive directors as necessary and provide appropriate and sufficient oversight.

[Principle 4.9 Independence Standards and Qualification for Independent Directors]
The Company applies the independence standards stipulated by financial instrument exchanges as well as the following independence criteria to assess the independence of candidates for independent outside directors (including independent outside corporate auditors) in order to select candidates who can be expected to contribute to candid, active, and constructive discussions by the Board of Directors.
(Independence Standards)
The Company deems a candidate who does not fall under any of the descriptions in (i) through (iv) below to be independent. The number of companies in which directors and corporate auditors, including outside directors and outside corporate auditors, can concurrently serve as board members or corporate auditors, is as described in (v).
(i) Major client of the Company or an executive of such client
(ii) A person serving as a specialist in law, accounting or taxation, etc. who received property exceeding 10 million yen from the Company in any of the past three fiscal years in addition to executive compensation, or a person who belongs to an organization such as a corporation or association that has received such property
(iii) A person who has received a donation in excess of 10 million yen from the Company on average over the past three fiscal years, or a director or other executive of an organization that has received such a donation
(iv) A person whose relative within the second degree of kinship falls under any of the descriptions in (i) through (iii) above, or serves or has served in the past five years as an executive of the Company or its subsidiary
(v) The number of listed companies other than the Company in which a person can concurrently serve as a director or corporate auditor is four or less.
Note 1) An executive is a person who executes the business of a corporation, etc., such as an executive director, executive officer, corporate officer, or other similar officer or employee.
Note 2) A major shareholder is a party that directly or indirectly holds 10% or more of the total voting rights.
Note 3) A major client is a party whose transaction amount with the Company's corporate group exceeds 2% of its consolidated net sales in the most recent three fiscal years, or a party whose loan amount to the Company's corporate group exceeds 2% of its consolidated total assets as of the end of the most recent fiscal year.

[Supplementary Principle 4.10.1 Views, Authority, and Roles, etc. related to the Judgement of the Independence of Committee Structures]
The Company's organizational structure is a company with a board of corporate auditors, where independent outside directors constitute a majority of the Board of Directors. However, the Company's nomination/compensation committee (chaired by an outside director), in which outside directors and outside corporate auditors constitute a majority (half of the members are outside directors), provides appropriate involvement and advice in regard to the nomination (including succession and training plans and the skills of the board members) and compensation of senior management, directors, and corporate auditors, and therefore the Company believes that the independence and objectivity of board functions are ensured.
Based on the belief that outside corporate auditors should be members of the board in order to deliberate on the nomination and compensation of corporate auditors, half of the members are outside directors while one outside corporate auditor also serves on the board, thus making a majority of the members outside officers. The committee is chaired by an outside director in accordance with the operating rules of the nomination/compensation committee. The nomination/compensation committee deliberates on the following matters, and the Board of Directors resolves upon them.

[Nomination]
• Appointment and dismissal of directors and corporate auditors
• Appointment and dismissal of representative directors
• Appointment and dismissal of executive directors
• Succession and development plans for the President and Representative Director and other directors
[Remuneration]

• Policy for determining remuneration of individual directors
• Remuneration of individual directors

[Supplementary Principle 4.11.1 Views on the Board of Directors as a Whole regarding the Balance of Knowledge, Experience, and Abilities and regarding Diversity and Scale]
See Principle 3.1 (iv) for the balance of knowledge, experience, and abilities of directors.
The reference documents for the general meeting of shareholders contain the skill matrix of directors and corporate auditors so it can be used as a reference in the deliberation of proposals for their election. Outside directors include those who have experience in corporate management, such as those involved in the management of educational institutions and those who have experience in internal audits of securities companies.

[Supplementary Principle 4.11.2 Situation of Company Directors and Auditors Serving Concurrently as Officers in Other Listed Companies]
If an officer of the Company is to concurrently serve as an officer of another listed company, approval of the Board of Directors is required in accordance with the rules of the Board of Directors. The status of concurrent positions held by officers is disclosed in the business report and the annual securities report provided during the ordinary general meeting of shareholders. See Principle 4.9 (v) for the maximum number of companies for which an officer can concurrently serve as a board member.

[Supplementary Principle 4.11.3 Evaluation of Effectiveness of Board of Directors]
Since fiscal 2017, the Company has conducted regular (annual) self-assessments and analyses of the effectiveness of the Board of Directors with the aim of improving board functions and enhancing corporate value. Self-assessments and analyses are conducted through a third-party organization's questionnaire survey among all directors and corporate auditors. They are designed to evaluate the board's effectiveness and analyze areas for improvement. These are then reported to and discussed by the Board of Directors with an eye to improving its effectiveness.
The responses to the questionnaire have been generally positive in terms of the roles and responsibilities of the Board of Directors and overall board operation, including the invigorating of discussions at its meetings, and the Company believes that the effectiveness of the Board of Directors as a whole is ensured.
There were also opinions on supervising the CEO's successor training process, creating opportunities besides board meetings for outside directors to exchange opinions, and providing the Board of Directors with feedback from shareholders based on dialogue with them, etc. The Board of Directors has also shared its challenges for further improving its functions and invigorating discussions.
In fiscal 2024, the Company established a working group to promote the effectiveness of the Board of Directors and will continue to make efforts to enhance the functions of the Board of Directors based on thorough discussions of the issues, including by establishing a venue for outside directors and inside directors to hold discussions on individual themes after the completion of the Board of Directors meeting, and by devising mechanisms for outside directors to deepen their understanding of the contents of Board of Directors agenda items in advance.
In order to enhance board functions, the Company prepares and discloses a skill matrix that clearly shows the background and experience of each director, and also the nomination/compensation committee deliberates on human resource pools, etc. to ensure diversity (knowledge, professional experience, expertise, gender, international experience, etc.) and develop new leaders.

[Supplementary Principle 4.14.2 Policy on Director and Auditor Training]
Every year, the Company identifies the kind of training directors, corporate auditors, and major subsidiaries' executive officers need in order to perform their duties based on the latest information, provides them with information, and encourages them to participate in various external seminars. Outside directors and outside corporate auditors attend regular meetings where they can exchange opinions, such as quarterly financial results briefings given by the accounting auditor as well as the three-party audit meeting, a joint meeting hosted by the Company's corporate auditors for corporate auditors of group companies, the accounting auditor, and the Company's internal audit department. They are also provided with information and explanations as needed about the Company, such as its operations, finances, and organization, and other information necessary for the performance of their duties.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]
To facilitate communication with shareholders and investors, the Company holds various events including general meetings of shareholders, earnings presentations, individual investor briefings, and one-on-one meetings to provide explanations regarding its corporate management and business activities. Furthermore, the Board of Directors has established the following policy on organizational structures and initiatives aimed at promoting constructive dialogue with shareholders (investor relations, etc.).
(i) Director in charge of investor relations
In accordance with the internal rules, the director who serves as the general manager of the Business Control Department is responsible for investor relations and other related activities (including shareholder engagement). The director who serves as the general manager of the Business Control Department is also responsible for information management at the Tokyo Stock Exchange.
(ii) Organic cooperation
The director who serves as the general manager of the Business Control Department works with and provides instructions, etc. to the President, as well as other directors and persons in charge of relevant internal departments (public relations, investor relations, corporate planning, general affairs, finance, accounting, legal and other departments), whenever assistance is needed for investor relations activities.
(iii) Status of dialogues with shareholders
See the Company website for the status of dialogues held with shareholders (dialogues with institutional investors, IR activities, etc.) (including plans) (URL: https://www.ej-hds.co.jp/en/).
(iv) Feedback to the Board of Directors
Opinions of shareholders, etc. are reported to the Board of Directors as needed.
(v) Insider information management
Any insider information on the Company is appropriately managed in accordance with the regulations on the prevention of insider trading.

Measures to Implement Management that is Conscious of Cost of Capital and Stock Price

Content of Disclosure	Disclosure of initiatives (Update)
Disclosure in English Updated	Yes
Update Date Updated	July 14, 2026

Explanation for Applicable Items Updated

[Measures to Implement Management that is Conscious of Cost of Capital and Stock Price][Update Date: July 14, 2026]
On July 14, 2026, the Company's Board of Directors reviewed and evaluated the current situation of the E·J Group regarding actions to implement management that is conscious of cost of capital and stock price and resolved initiatives aimed at further improvement. The summary of the disclosure is as follows.

1. Analysis of Current Situation
Over the past five years, our Group's PBR has hovered between 0.7x and 0.9x, remaining below 1.0x. While our ROE, at over 9%, has fallen slightly short of our 10% target, our equity spread (ROE minus cost of equity) remains relatively healthy at +3% to +5%, although it has shown a downward trend in recent years. We recognize that achieving an appropriate market valuation remains an important management challenge.
Guided by our long-term vision, "E·J-Vision2030," we have pursued growth by contributing to the resolution of social challenges in the fields of the environment, disaster prevention and conservation, and government support. As a result, our business performance has progressed at a pace exceeding our initial projections of net sales of 50 billion yen, operating profit of 6 billion yen, and profit attributable to owners of parent of 4 billion yen, and the achievement of the numerical targets set forth in E·J-Vision2030 is now within reach during the period of our current medium-term management plan.
Rather than being satisfied with achieving our long-term management targets, we will pursue further improvement in ROE and PBR and continue transforming our business structure and management foundation in order to generate returns in excess of our cost of capital and achieve an appropriate market valuation.

2. Policy for Improvement
We believe that improving both ROE and PER is essential for enhancing PBR. To improve ROE, we will focus on enhancing profitability and improving invested capital turnover, while for improving PER, we will focus on clarifying our growth strategy and fostering growth expectations in addition to enhancing capital efficiency. To achieve these objectives, we will promote the following five initiatives.
(i) Improve profitability by increasing our share in six priority business fields and enhancing the efficiency of indirect departments, thereby improving profit margins by one to two percentage points and maintaining an ROE of 10% or higher.
(ii) Improve asset efficiency through measures such as shortening production lead times and optimizing asset composition, thereby increasing invested capital turnover to 1.2 times or higher.
(iii) Enhance capital efficiency through optimization of capital allocation and thorough implementation of ROIC management at each group company, thereby maintaining an ROIC of 10% or higher.
(iv) Secure a sales growth rate of 5% or higher as a measure of growth by promoting M&A activities, alliances with companies in other industries, and growth of existing businesses.
(v) Foster growth expectations through enhanced IR and SR activities.

3. Implementation of Management that is Conscious of Cost of Capital and Stock Price
Going forward, we recognize generating returns in excess of our cost of capital and achieving an appropriate market valuation as important management priorities.
To enhance corporate value, we believe it is essential to simultaneously improve:
- Profitability and asset efficiency
- Market expectations regarding growth potential

Based on this understanding, we will prioritize the following initiatives:
- Improving asset efficiency and strengthening cash-generating capabilities
- Implementing capital policies that balance growth investments with shareholder returns
- Allocating management resources with a focus on investment efficiency and strengthening capital discipline
- Enhancing financial and non-financial disclosures and strengthening dialogue with shareholders and investors

4. Update to the Positioning of E·J-Vision2030
Under our long-term vision, "E·J-Vision2030," we have sought to create sustainable corporate value by contributing to the resolution of social challenges. As a result, we have made steady progress in achieving our financial targets and expanding our management foundation. Building on this progress, we view our current long-term vision as a milestone. In the next phase of growth, we will not only expand our business but also enhance value creation by comprehensively strengthening and interlinking the various forms of capital that serve as the source of our corporate value.
As a concrete measure to achieve this, we will advance a management approach that fosters a virtuous cycle and mutual reinforcement among Financial Capital, Human Capital, Intellectual Capital, Manufactured Capital, Social and Relationship Capital, and Natural Capital, rather than optimizing each form of capital individually.

By leveraging these forms of capital in an integrated manner, we will enhance the added value and productivity of our businesses, thereby generating returns that exceed our cost of capital.
Furthermore, to accurately track the progress of each form of capital and incorporate this into our management, we will establish KPIs for these forms of capital and continuously monitor them from the following perspectives:
- Profitability (profit-generating capacity)
- Efficiency (capital turnover and productivity)
- Growth (expansion of added value)

Through these measures, we aim to appropriately improve business operations and optimize resource allocation, thereby realizing more efficient management and creating a virtuous cycle of enhanced corporate value.

5. To Our Shareholders and Investors
Guided by management that is conscious of the cost of capital and stock price, we will work to maximize shareholder value by comprehensively strengthening our six forms of capital and achieving sustainable growth and enhanced corporate value. We ask for your continued understanding and support.

The above disclosure document is also available on the Company's website.Please refer to the following URL for details:
https://www.ej-hds.co.jp/en/pdf/20260714_1e.pdf

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
Yakumo Inc.	3,529,700	19.2
The Master Trust Bank of Japan, Ltd. (Trust account)	1,590,800	8.65
Custody Bank of Japan, Ltd. (Trust account)	787,117	4.28
E·J Holdings Employees' Shareholders Association	730,240	3.97
Yuji Kotani	409,600	2.22
Mitsutoshi Kotani	241,000	1.31
Y&K GK	180,000	0.97
BNY GCMCLIENTACCOUNTJPRDACISG（FE-AC）	171,854	0.93
Kouji Kotani	158,634	0.86
San-in Godo Bank Limited	156,000	0.84

Name of Controlling Shareholder, if applicable (excluding Parent Company)	---
Name of Parent Company, if applicable	None

Supplementary Explanation

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3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	May
Business Sector	Services
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) as of the End of the Previous Fiscal Year	¥10 billion or more but less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

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 Material Impact on Corporate Governance

1. "Status of Major Shareholders"
The largest shareholder, Yakumo Inc., is a company in which the Company's representative director and his close relatives hold 100% of the voting rights, and the Company shares that it holds are intended to be held over a long period. Two directors of Yakumo concurrently serve on our Board of Directors.

However, the independence of our Board of Directors, which is our decision-making body, is deemed to be adequately ensured since we have no business relationship with Yakumo, and all of our outside directors and outside corporate auditors, who are independent and maintain a neutral position, attend the meetings of our Board of Directors.
2. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder
As noted above, we do not conduct any transactions with the controlling shareholder. However, if we were to do any business with it, we would establish the same criteria as those used for other companies to ensure the independence of our management.

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

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Board

Directors

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	2 years
Chairperson of the Board	President
Number of Directors	8
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
Koichi Ninomiya	From another company											
Hirofumi Abe	Academic											
Tohei Nitta	Certified public accountant						△					
Junko Isozaki	Other											

***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.)

a Person who executes business of the Company or a subsidiary
b Person who executes business or a non-executive director of a parent company
c Person who executes business of a fellow subsidiary
d Person/entity for which the Company is a major client or a person who executes business for such person/entity
e Major client of the Company or a person who executes business for such client
f 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
g Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
h Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
i Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
j Person who executes business for an entity receiving contributions from the Company (applies to self only)
k Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Koichi Ninomiya	○	---	Mr. Ninomiya has no special interest in the Company and is deemed unlikely to have any conflict of interest with general shareholders. We also believe that, with the wealth of experience and deep insights he has gained from working in the securities and finance industries for many years, he will provide useful advice on the capital policies of the E·J Group and help strengthen its corporate governance.
Hirofumi Abe	○	---	Mr. Abe has no special interest in the Company and is deemed unlikely to have any conflict of interest with general shareholders. He is also well versed in the field of environmental engineering, and we believe

			that, with his extensive experience and knowledge, he will provide useful advice on the civil engineering consultant business the E·J Group operates and help strengthen its corporate governance.
Tohei Nitta	○	---	Mr. Nitta has no special interest in the Company and is deemed unlikely to have any conflict of interest with general shareholders. He is also a certified public accountant, and we believe that, with his knowledge of taxation, finance, and accounting, he will provide us with useful advice from a professional and objective perspective and help strengthen our corporate governance.
Junko Isozaki	○	---	Ms. Isozaki has no special interest in the Company and is deemed unlikely to have any conflict of interest with general shareholders. Furthermore, based on her background and professional experience as a judicial scrivener, land and house investigator, and business manager, we believe that she will provide useful advice and suggestions to the Company's Board of Directors, and will help strengthen our group's corporate governance.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson)

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination/ compensation committee	4	0	1	2	1	0	Outside Directors
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination/ compensation committee	4	0	1	2	1	0	Outside Directors

Supplementary Explanation

The nomination/compensation committee is composed of one inside director, two outside directors, and one outside corporate auditor, meaning the majority of the committee is comprised of outside officers.

Audit and Supervisory Board Member

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit and Supervisory Board Members	3

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

Corporate auditors accompany the accounting auditor to conduct audits and regularly exchange information with the accounting auditor. In addition to that, the accounting auditor provides them with explanations regarding the audit method and results on a quarterly basis.
Information about the accounting auditor is as follows.

1. Name or Company Name of Accounting Auditor
   KPMG AZSA LLC
2. Compensation for the accounting auditor (fiscal year ended May 2026)
   71 million yen for the Group as a whole

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	2
Number of Independent Audit and Supervisory Board Members	2

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Jiro Matsubara	Certified public accountant													
Eiji Usami	Lawyer													

*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.)

- a Person who executes business of the Company or a subsidiary
- b A non-executive director or an accounting advisor of the Company or its subsidiaries
- c Person who executes business or a non-executive director of a parent company
- d An Audit and Supervisory Board Member of a parent company of the Company
- e Person who executes business of a fellow subsidiary
- f Person/entity for which the Company is a major client or a person who executes business for such person/entity
- g Major client of the Company or a person who executes business for such client
- h 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
- i Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- j Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to self only)
- k Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- l Person who executes business for an entity receiving contributions from the Company (applies to self only)
- m Other

Outside Audit and Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Jiro Matsubara	○	---	Mr. Matsubara has no special interest in the Company and is deemed unlikely to have any conflict of interest with general shareholders. He is also a certified public accountant, and we believe that, with his knowledge of taxation, finance, and accounting, he will provide us with useful advice from a professional and objective perspective and help strengthen our corporate governance.
Eiji Usami	○	---	Mr. Usami has no special interest in the Company and is deemed unlikely to have any conflict of interest with general shareholders. He is also a qualified lawyer, and we believe that, with his legal knowledge, he will provide us with useful advice from a professional and objective perspective and help strengthen our corporate governance.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members	6

Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

The Company has designated Mr. Koichi Ninomiya, Outside Director; Mr. Hirofumi Abe, Outside Director; Mr. Tohei Nitta, Outside Director; Ms. Junko Isozaki, Outside Director; Mr. Jiro Matsubara, Outside Corporate Auditor; and Mr. Eiji Usami, Outside Corporate Auditor, as independent officers. These six officers have no special interest in the Company, and we determined that they would provide us with useful advice from a professional and objective perspective as well as help strengthen our corporate governance, while ensuring appropriate auditing and supervision of our entire corporate group to monitor any noncompliance with the corporate code of conduct.
See [Principle 4.9] for the independence standards for independent directors set forth by the Company.

Incentives

Implementation Status of Measures Related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items

The Company and its consolidated subsidiaries have implemented a performance-linked stock compensation system, under which directors, excluding outside directors, are evaluated and awarded a certain number of points each fiscal year according to their position and the degree to which they have achieved the management targets set in the medium-term management plan. This system was introduced so that directors could share the E·J Group's business performance and share value with shareholders and have a greater awareness of contributing to enhancing medium- to long-term performance results and increasing corporate value.

The nomination/compensation committee performs checks and then stock grant rules are established by the Board of Directors in accordance with objective, timely, and transparent procedures.

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 maximum amount of executive compensation for directors was approved at the annual general meeting of shareholders held on August 26, 2009, and the total amount is 200 million yen or less.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof	Established

Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

See [Principle 3.1] (iii) for the policy on determining remuneration amounts or the calculation methods thereof.

Support System for Outside Directors and/or Outside Audit and Supervisory Board Members

In order to support outside directors and outside corporate auditors, the Company appoints employees who assist them, notify them of meetings, distribute meeting materials in advance, and take other measures to facilitate mutual communication and smooth operation of meetings.

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

- Board of Directors

The Board of Directors consists of eight members, including four outside directors, and deliberates on and resolves matters as stipulated in the rules of the Board of Directors. Three corporate auditors, including two outside corporate auditors, attend the Board of Directors meetings to audit the execution of duties by directors.

- Board of Corporate Auditors

The Board of Corporate Auditors consists of three members, including two outside corporate auditors.
Each corporate auditor attends important meetings such as the Board of Directors meetings in order to understand the important decision-making processes. They also investigate the sales, production, and administrative departments of the Company and its group companies and review important documents in order to manage and supervise the status of their business operations.
The Board of Corporate Auditors meets regularly to share information and periodically exchanges opinions with the accounting auditor.

- Management Committee

The Management Committee discusses important management matters related to the execution of the Company's business as well as proposals to be deliberated on by the Board of Directors, and submits them to the board as necessary. The committee is comprised of four full-time directors, including the representative director and president who serves as the chair, and meets about 12 times a year.

- Group Management Committee

The Group Management Committee deliberates on general strategies for implementing the basic management policies of the Company and the entire corporate group as well as important management matters while facilitating communication among group companies.
Consisting of the Company's directors and representative directors as well as several directors of group companies and chaired by the Company's representative director, the committee meets approximately four times a year.

- Group Risk Management Committee

The Group Risk Management Committee promotes and supervises risk management for the Company and its corporate group as a whole.
Chaired by the director in charge of risk management, the committee consists of directors appointed by the chair. The committee identifies and assesses risks for the entire group, deliberates on corrective plans, etc., and reports to the Board of Directors including the representative director and president.

- Sustainability Promotion Committee

The Sustainability Promotion Committee is responsible for planning and deliberating on overall sustainability strategies for the Company and its group companies. It also deliberates on policies and measures for climate and ESG risks and opportunities in our operations. Consisting of four full-time directors and chaired by the Company's representative director and president, the committee meets, as a general rule, once a year, and reports on important matters to the Board of Directors and the Group Management Committee.

- Internal Control Committee

The Company emphasizes the reliability of financial reporting and has established an Internal Control Committee which is held twice per year as an organization to deliberate the assessment of the internal control of the Group in order to disclose appropriate financial reports.

- Internal audits

Using the internal control system as its basis, the Audit Department, established directly under the representative director, communicates with the corporate auditors and the accounting auditor regarding regulatory compliance and the legality of business activities, evaluates internal controls, audits operations, and reports audit results directly to the Board of Directors in a timely manner.

- Accounting and internal control audits

The Company has signed an audit contract with KPMG AZSA LLC, under which it conducts accounting and internal control audits from a fair and unbiased standpoint. The audit firm staff that conduct audits is comprised of two designated partners and approximately ten other persons.

- Three-party audit meeting

The three-party audit meeting is a quarterly joint meeting organized by the Company's corporate auditors for group companies' corporate auditors and outside officers, the accounting auditor, and the Company's internal audit department to exchange opinions and share information.

- Nomination/compensation committee

See [Principle 3.1] (iv) for policies and procedures for the appointment and dismissal of representative directors and the nomination of director and corporate auditor candidates. See [Principle 3.1] (iii) for the policy and procedures for determining director remuneration amounts.

3. Reasons for Adoption of Current Corporate Governance System

As the holding company of the E·J Group companies, we see practicing good corporate governance, which is the key to boosting the corporate value of the entire group and making its operations more transparent to our shareholders, as one of our most important management issues. It is against this backdrop that we, as the holding company, are assigned management decision-making and supervisory functions, which are separate from the business execution functions of the individual operating companies, in order to ensure fair, transparent, and prompt management decision-making, operations, and supervision. This will enable us to improve the quality of management and make prompt decisions in response to rapid changes in the business environment.

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	The notice of the ordinary general meeting of shareholders is sent, as a general rule, at least two days prior to the date stipulated by law.
Exercise of Voting Rights by Electronic Means	Has been available since first being introduced in the August 2022 general meeting of shareholders.
Participation on an Electronic Voting Platform and Other Initiatives to Improve the Voting Environment for Institutional Investors	We have been on an electronic voting platform since the August 2022 general meeting of shareholders.
Provision of Convocation Notice (Summary) in English	Starting with the August 2022 general meeting of shareholders, a portion of the convocation notice (reference documents) has been translated into English and submitted/disclosed. · The disclosure has been simultaneous from the convocation notice for the August 2025 general meeting of shareholders.
Other	The Company prepares a business report once a year after the general meeting of shareholders and distributes it to each shareholder.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Regular Investor Briefings held for Individual Investors	They are scheduled about twice a year.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	They are held about twice a year. (Held in person in Okayama and held in a hybrid format, in person and online, in Tokyo)	Held
Online Disclosure of IR Information	Financial results (including the quarterly disclosure), materials other than financial results for which timely disclosure is required, as well as business reports are posted on the Company website (https://www.ej-hds.co.jp/en/).	
Establishment of Department and/or Placement of a Manager in Charge of IR	Department in charge of IR: Business Control Department; Officer in charge of IR: Yuji Nagata, Director and General Manager of the Business Control Department	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Stipulation of Due Respect for Stakeholders Through Internal Regulations, Etc.	We have established a Basic Corporate Governance Policy which stipulates that the corporate activities of the Company and its corporate group must be conducted with an awareness of the support we receive from our various stakeholders.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	Under the basic policy of "contributing to the creation of a truly affluent society through using our technology friendly to the global environment and our decision-making capabilities," the Company has identified four important issues (materiality) related to ESG in its long-term vision "E·J - Vision 2030," and we are promoting initiatives for each. (Environmental preservation activities) We have established a Sustainability Promotion Committee, and the whole group is working together to promote initiatives to reduce our environmental impact, including with regard to climate change. In addition to acting in accordance with the Basic Environmental Policy we established in the fiscal year ended May 2023, in response to climate change, we are acting based on the TCFD framework and promoting activities aiming to achieve the CO2 emissions reduction targets obtained from the SBTi in October 2023. In the fiscal year ended May 2025, we received a rating of "B" from CDP for our efforts for climate change, the same as in the previous year. We will continue to promote initiatives to reduce our environmental impact. (CSR activities) Our consolidated subsidiary, Eight-Japan Engineering Consultants Inc., established the Yakumo Foundation for Environmental Science in July 1998 with the aim of nurturing researchers who will shape a bright future for people and the natural environment. The foundation is engaged in social contribution activities that support the promotion of research and studies in environmental science and creativity training for researchers, and we support these activities across the group.
Formulation of Policies, Etc., Related to the Provision of Information to Stakeholders	Based on our Basic Corporate Governance Policy, we disclose corporate information in a fair and timely manner in order to enhance the transparency of our management.
Other	Building on the concept of ESG management, four basic policies have been adopted in the Company's long-term vision, "E·J - Vision 2030:" (1) Strengthen measures to mitigate the burden on the environment (E: Environmental), (2) Contribute to the creation of a sustainable and resilient society (S: Social), (3) Practice diversity management (S: Social), and (4) Strengthen governance to build an optimal structure (G: Governance). SDG targets have been set for each, and we are proactively working toward sustainable growth and increased corporate value. Each group company has expanded on these four basic policies with their own policies tailored to the operations they perform. In particular, for human capital management, we will carefully examine the items necessary and conduct evaluations in the seven areas of human resource development, engagement, human capital fluidity, diversity, health and safety, labor practices, and compliance and ethics. Additionally, to ensure that human rights are respected throughout the supply chain, a Human Rights Policy was established on December 1, 2022 and we have also been implementing human rights due diligence since fiscal 2023 and publishing the situation of those initiatives on the Company's website(*) together with initiatives to respect human rights. We will continue to appropriately proceed with a redress process for any human rights violations found. *Company website: https://www.ej-hds.co.jp/sustainability/s/basic.html

IV Matters Concerning the Internal Control System

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

In order for the Company to earn a higher level of trust and better reputation along with continued support from all stakeholders, including customers, shareholders, local communities, and employees, the Board of Directors has resolved the following matters concerning the development of systems to ensure fair business practices.

1. Systems to ensure that the execution of duties by directors and employees of the Company and its group companies (hereinafter, "Group companies") complies with laws and regulations and their articles of incorporation

We will enhance internal controls and establish a monitoring system across Group companies in order to ensure that officers and employees of Group companies perform their duties in compliance with laws, regulations, and their articles of Incorporation in an ethical manner that is in line with our corporate philosophy and the management policies set forth in the E·J Group's medium-term management plan, etc.

- We will promote thorough awareness of our compliance program, other internal rules and regulations, as well as related laws and regulations, among officers and employees.
- We will specify the department in charge of compliance and establish a system for responding to problems, such as a whistleblower system, that enables officers and employees to promptly and appropriately report compliance issues when they are found.
- In order to ensure an appropriate operational structure, the Audit Department, under the direct control of the representative director, regularly conducts internal audits in accordance with the internal audit rules, etc. and reports directly to the Board of Directors and the Board of Corporate Auditors.

2. Systems for the storage and management of information pertaining to the execution of duties by the Company directors

We will take all possible measures to prevent leakage, etc. of information relating to the execution of duties by directors, and establish a system that enables us to appropriately and promptly confirm and verify the execution status, etc. as necessary.

- We will store and manage information relating to the execution of duties by directors in accordance with laws and regulations as well as internal rules.
- We will establish a system that allows directors and corporate auditors to access such information at all times.
- We will appropriately disclose important information in accordance with laws and regulations as well as internal rules.

3. Regulations and other systems for managing the Company’s risk of loss

We will establish a system that enables us to appropriately and promptly respond to any risk of loss.

- The representative director will appoint a director in charge of each type of risk and develop a system that ensures appropriate management of Group companies and communications.
- Directors will develop rules, guidelines, manuals, etc. as necessary in order to prevent and avoid the risk of loss, and make them known to Group companies.
- In the event that a risk materializes and serious damage is expected to occur, the director in charge will assume responsibility for establishing a system for prompt and accurate information control and response.
- We will establish a regular internal audit system that includes Group companies in accordance with the audit department’s internal audit rules, and work to identify problems and challenges facing Group companies.

4. Systems to ensure the efficient execution of duties by the Company’s directors

We will establish a system to ensure that the execution of duties by directors is carried out appropriately and efficiently.

- We will formulate a group budget based on the medium-term management plan and annual budget system, and manage performance on a consolidated basis.
- We will ensure that duties are performed in accordance with the authority specified in internal rules and decision-making rules.
- We will establish a system for collecting and providing information on the status of Group companies’ business performance, as well as a system that enables the directors and the Board of Directors to make decisions and conduct business operations in a prompt and appropriate manner.

5. Systems to ensure fair business practices across the corporate group, consisting of the Company as well as its parent company and subsidiaries

We will establish a unified system across the organization to ensure and monitor compliance by officers and employees of Group companies in the performance of their duties.

- In order to keep everyone on the same page regarding plans, policies, etc. to be implemented by Group companies, we will enhance the internal communication system and make sure everyone across the organization knows about it.
- We will establish a system for communicating important matters affecting Group companies and take action in a prompt and appropriate manner, including the convening of an emergency Group Management Committee meeting and other meetings.
- We will hold regular Management Committee meetings attended by representatives and directors of Group companies to discuss important management matters and communicate matters related to the execution of duties, etc., and establish a system that enables Group companies to work together to ensure that decisions are made and business is transacted in a prompt and appropriate manner.

6. Matters concerning employees who are requested by the Company’s corporate auditors to assist them in their duties (hereinafter, "supporting employees"), the independence of supporting employees from directors, and ensuring the effectiveness of instructions given to supporting employees

- The Company’s corporate auditors may, when necessary, employ staff from the Audit Department to assist them in their duties.
- Supporting employees will not be directed or ordered by the directors in relation to the performance of their duties.
- When supporting employees concurrently hold another position, they must give priority to performing their duties as instructed by the corporate auditors.

7. System that enables directors and employees of Group companies to report to the Company’s corporate auditors and other systems related to reporting to corporate auditors

- Directors and employees of Group companies will report to the Company’s corporate auditors on the following matters in addition to those prescribed by laws and regulations, their articles of incorporation, and other internal rules.
- Any likelihood or occurrence of serious damage to the Company or any matter that may have a serious impact on the Company
- Complaints and concerns about corporate ethics
- Matters discussed by and reported to the Group Management Committee
- Other matters that the Board of Corporate Auditors deems necessary to be reported on in order for it to perform its duties.
- Directors and employees of Group companies will provide necessary reports and information upon request of the Company’s corporate auditors.
- In order to ensure that no one affiliated with any of the Group companies is treated unfairly for providing a report or information to the Company’s corporate auditors as noted above, we will follow the whistleblowing rules and ensure that they are complied with by Group companies.

8. Matters related to policies on the procedures for advance payment or reimbursement of expenses incurred in the performance of duties by the Company’s corporate auditors, and the treatment of other expenses or liabilities incurred in the performance of such duties

- In the event that a corporate auditor of the Company makes a request for advance payment or reimbursement to the Company in connection with the performance of his/her duties, the Company will promptly comply with such request, unless such request is deemed irrelevant to the performance of his/her duties.
- We will annually formulate a budget for expenses, etc. to be incurred in the performance of duties by corporate auditors based on the audit plan approved by the Board of Corporate Auditors.

9. Other systems to ensure that audits by the Company’s corporate auditors are performed effectively

- We will establish a system where corporate auditors attend important Board of Directors meetings, etc., review important approval documents, and provide explanations to directors and employees as necessary.
- We will work to help officers and employees gain a better understanding of audits conducted by corporate auditors, improve the auditing environment, and establish a system that facilitates the performance of their duties.
- We will hold regular meetings between corporate auditors and representative directors, corporate auditors and the Audit Department, as well as corporate auditors and the accounting auditor.

- We will hold regular joint meetings of corporate auditors, the Audit Department, and the accounting auditor for the purpose of exchanging information and opinions.
- We will hold regular joint meetings of corporate auditors of group companies and our corporate auditors for the purpose of exchanging information and opinions.

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

The E·J Group takes a firm stand against and eliminates unreasonable demands from anti-social forces and groups that threaten the order and safety of civil society, and prohibits any relationship with such elements.
To this end, we have formulated and published a Compliance Program and other relevant statements to inform employees as well as the public about the E·J Group's stance against anti-social forces, etc.
In addition to that, we have established the Standards for the Elimination of Anti-social Forces and the Manual for Dealing with Anti-social Forces, and always work closely and exchange information with the police and other relevant administrative agencies, legal advisors, and local corporate defense councils, etc., to ensure an appropriate and prompt response.

V Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

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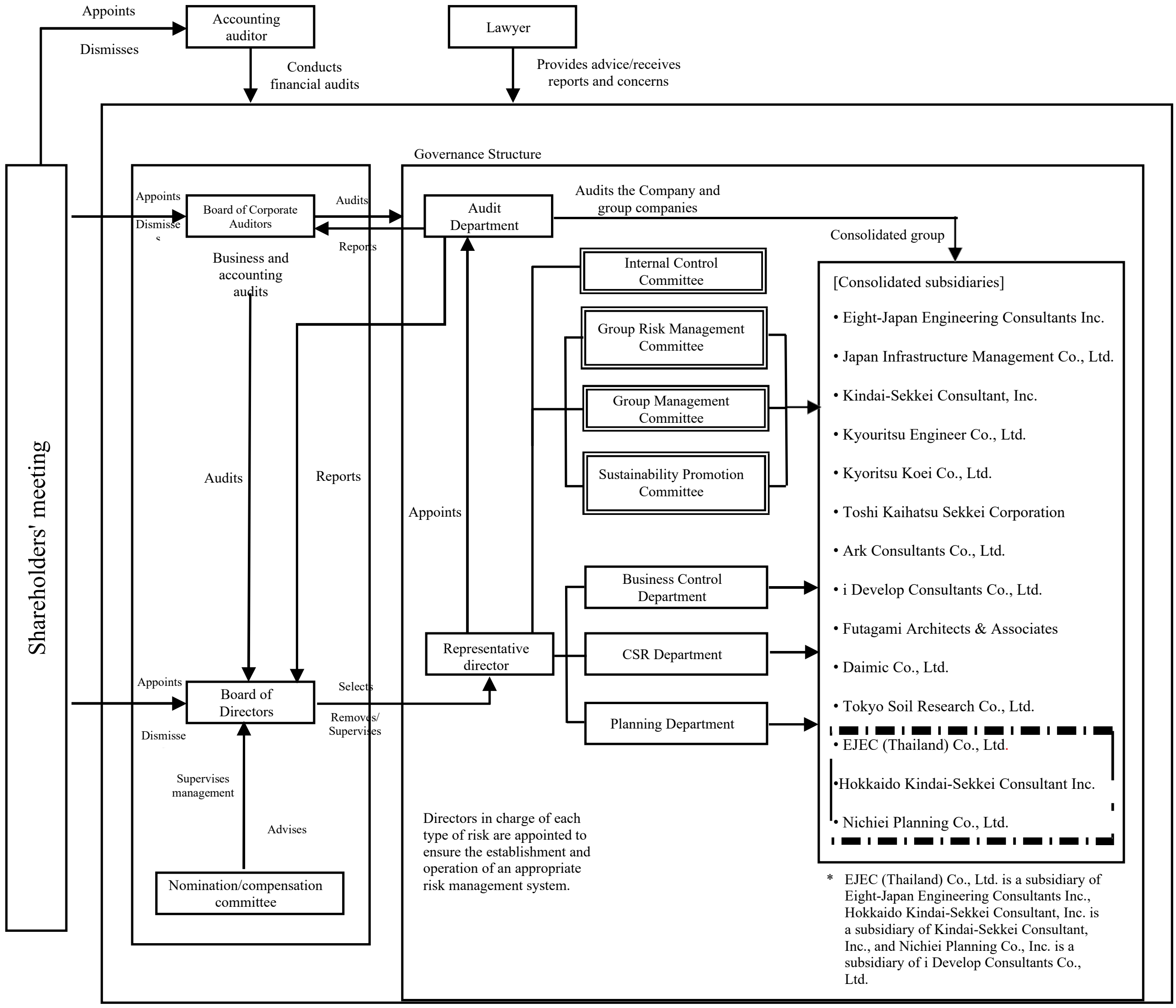
2. Other Matters Concerning the Corporate Governance System

[Overview of Timely Disclosure]
1. Basic stance
We emphasize fair, impartial, and timely disclosure of information on the operations and various initiatives of our corporate group to shareholders and investors, and have established an operation manual for posting corporate information on our website, etc. as well as a system to ensure that information is disclosed in accordance with the manual.

2. Internal system for timely disclosure
The Company has established the Business Control Department for disclosing the decisions or occurring facts stipulated in the timely disclosure rules established by the Tokyo Stock Exchange (hereinafter, "inside information").
Information recognized as important by each department of the Company (information that may need to be disclosed) is promptly reported to the Business Control Department. Similarly, information recognized as important by subsidiaries is also promptly reported to the Business Control Department.
The Business Control Department determines the necessity and details regarding disclosure, and upon obtaining approval of the general manager of the Business Control Department, the individual in charge of disclosure promptly discloses the information.

[Governance Organization Chart]

As of May 31,2026



[Timely Disclosure Flow]