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CAREER DESIGN CENTER CO.,LTD.

Hiromi Tada, Chairman and CEO

Contact: 03-3560-1600

Securities code: 2410

<https://cdc.type.jp/en/>

The corporate governance of CAREER DESIGN CENTER CO.,LTD. (the "Company") is described below.

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

1. Basic Views

Under the corporate philosophy of "Good jobs and good lives," the Company will create both social value and economic value by promoting businesses centered on the mobility of high-quality human resources with the aim of creating a society in which working people have good jobs and lead good lives from the perspective of the employment of human resources. Working appropriately and cooperatively with stakeholders is essential for achieving sustainable corporate growth and creating corporate value on a medium- to long-term basis. With this in mind, our basic policy on corporate governance is to respect each person's position, increase management transparency, expedite decision-making processes and strengthen supervisory functions while maximizing corporate value with proper corporate governance.

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

The Company implements all the principles of the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code

[Principle 1-4. So-called cross-shareholdings]

In principle, the Company does not acquire shares for the purpose of holding them as cross-shareholdings. However, if listed shares are held based on a business alliance or other rational management purpose, the Company will examine the appropriateness by comprehensively considering the benefits and risks associated with the shareholding. If it is deemed irrational to continue holding certain shares, the Company will sell them after considering the share price, market trends, etc. With regard to the exercise of voting rights pertaining to cross-shareholdings, the Company will consider the content of the proposal, understand the management policies, business plans, etc. of the investee company, and make a decision from the viewpoint of whether it will contribute to the enhancement of corporate value in the medium to long term.

[Principle 1-7. Related party transactions]

The Company has a basic policy stating that it shall not engage in transactions with related parties in principle. If the Company does conduct such a transaction, the Accounting Section examines the content and the monetary amount, and the Audit and Supervisory Committee also performs a check.

[Supplementary Principle 2-4-1. Human Resource Development Policy and Internal Environment Improvement Policy for

ensuring diversity]

We believe that the source of our competitiveness and value creation is the people who work for us. We recognize diversity by respecting each individual's personality, and we emphasize openness, fairness, and equality, and we work to ensure that employees can work healthily, safely, and autonomously. We are striving to create an environment that allows each and every individual to demonstrate their full potential.

In addition, the Company actively hires talented human resources regardless of their gender, nationality, and other attributes, and provides all employees with equal opportunities for evaluation, promotion, and advancement. Although no specific numerical targets have been set at present, the Company will continue to promote the advancement of women while maintaining the current level of female staff and will continue to recruit and develop human resources to further ensure diversity.

(1) Promotion of the advancement of women

As part of its efforts to promote diversity, the Company regards the advancement of women as a top priority. We recruit new graduates and mid-career employees regardless of gender, and the ratio of men to women is 4:6. To promote the advancement of women, we are actively working to create a work environment that strives to balance work and childcare and to create an environment in which it is easy to take maternity leave and childcare leave. We have expanded the application of the shorter working hours system for childcare until the end of the sixth grade of elementary school, and are also promoting the use of the system by male employees. In fact, many employees take advantage of the systems for maternity leave, childcare leave, shorter working hours for childcare, etc.

As a result of these measures, in 2018, we obtained Eruboshi Level 3 certification, the highest level at the time, as a company certified under the Act on the Promotion of Women's Active Engagement in Professional Life.

< Examples of promotion of the advancement of women (as of September 2024) >

*Ratio of men to women: 43:57

*Percentage of female managers: 49%

*Rate of return following maternity leave: 94.1%

*System to reduce the working hours of parents who are doing their best to balance both childcare and work; 96 employees currently take advantage of the system

(Applicable until the end of the sixth grade of elementary school, employees can choose their working hours in 15-minute increments)

*Telework

*System to change regular working hours

(2) Recruiting and securing diverse human resources

We recruit employees regardless of nationality, gender, age, or disability. Our vision for human resources is people who can empathize with the Company's mindset (performance-based systems and organizational culture) and who will work together with us as long as possible. The Company's approach to human capital, including its human resource development policy and internal environment improvement policy, is described in detail on the Company's website.

<https://cdc.type.jp/sustainability/social/employees/>

[Principle 2-6. Activating the function of corporate pension funds as asset owners]

At present, the Company has not introduced fund-type and contract-type defined benefit pension plans and welfare pension funds as anticipated by the Corporate Governance Code and therefore does not qualify as an asset owner.

[Principle 3-1. Full disclosure]

- (1) The Company's management philosophy and value creation process are described on the following website.

Management Philosophy: <https://cdc.type.jp/company/philosophy/>

Value Creation Process: <https://cdc.type.jp/sustainability/about-cdc/>

Our corporate philosophy of "Good jobs and good lives" reflects our desire to create a society in which working people find joy in their jobs and their lives. From the perspective of the employment of human resources, we focus on the mobility of human resources in mid-career and new graduate recruitment. By addressing the theme of solving challenges faced by job seekers in relation to job changes and employment and by recruiting companies in relation to recruitment, we aim to achieve a society in which working people have good jobs and lead good lives. By providing support starting from career selection so that working people can lead more prosperous lives, and by creating both social and economic value through our businesses under proper corporate governance as a company trusted by society, we seek to contribute to making society sustainable and to improve corporate value.

- (2) The basic policy on corporate governance is described on the Company's website, the Corporate Governance Report and the Annual Securities Report.

Corporate governance: <https://cdc.type.jp/en/sustainability/governance/>

- (3) Director (including Audit and Supervisory Committee Members) remuneration is determined based on evaluations by their superiors in consideration of the Company's business performance, management conditions, economic situation, etc., subject to the cap on the total remuneration of Directors and Directors who are Audit and Supervisory Committee Members as resolved by the General Meeting of Shareholders. In January 2019, the Company established the Nomination and Remuneration Committee as a voluntary advisory committee, which is chaired by an independent Outside Director and consists of one Internal Director and two Outside Directors. In order to ensure objectivity and transparency, the remuneration of officers, etc. is determined through deliberation by the Board of Directors after evaluation and consideration of its reasonableness by the Nomination and Remuneration Committee.

- (4) With regard to the election or dismissal of candidates for Director of the Company, the Board of Directors selects candidates based on whether they are persons who will contribute to the sustainable growth of the Company and the enhancement of its corporate value and possess exceptional character and a high level of insight, and makes decisions after having an opportunity to directly communicate with the candidates. In addition, the election or dismissal of candidates for Audit and Supervisory Committee Member is ultimately determined by the Board of Directors after review by and consent from the Audit and Supervisory Committee, based on the following criteria: whether the candidate is a person who will contribute to the sound management of the Company and the maintenance and improvement of its social credibility, can conduct audits in a neutral and objective manner, and possesses exceptional character and a high level of insight. With regard to the criteria for judging the independence of all Outside Directors, including the Audit and Supervisory Committee Members, the Company's basic view is that there is no risk of conflicts of interest with general shareholders, as described in the Annual Securities Report.

In January 2019, the Company established the Nomination and Remuneration Committee as a voluntary advisory committee, which is chaired by an independent Outside Director and consists of one Internal Director and two Outside Directors. In order to ensure objectivity and transparency, the nomination of officers, etc. is determined through deliberation by the Board of Directors after evaluation and consideration of the reasonableness thereof by the Nomination and Remuneration Committee.

(5) The reasons for the election or dismissal of all director candidates are described in the Notice of Convocation of the Annual General Meeting of Shareholders. The career history of all candidates is also included as reference materials in the Notice of Convocation of the Annual General Meeting of Shareholders.

[Supplementary Principle 3-1-2. Full disclosure]

The Company has been making efforts to disclose mainly financial information in English. From the fiscal year ended September 2023, we started simultaneous publication of English versions of timely disclosures. Given that financial results and timely disclosure information will be required to be disclosed in English and Japanese from April 1, 2025 in the Tokyo Prime Market, the Company will operate in accordance with such regulation after it takes effect. In November 2024, we renewed and enhanced the English version of the Company's website to further enhance information disclosure to domestic and overseas stakeholders.

[Supplementary Principle 3-1-3 Sustainability initiatives]

The Company aims to create a society in which working people have good jobs and lead good lives from the perspective of the employment of human resources. By providing support starting from career selection so that working people can lead more prosperous lives, and by creating both social and economic value through our businesses under proper corporate governance as a company trusted by society, we seek to contribute to making society sustainable and to improve corporate value. The Company discloses its overall sustainability initiatives for sustainable growth on its website.

In addition, the Company has formulated and disclosed its Medium-Term Management Plan "Beyond200," which takes sustainability into consideration in addition to management issues. Information on the Company's human capital initiatives, which the Company considers to be crucial for achieving sustainable growth, is also posted on the Company's website.

Medium-Term Management Plan "Beyond200": https://cdc.type.jp/ir/mid_term/

Human capital: <https://cdc.type.jp/sustainability/social/employees/>

< Addressing Climate Change (Climate-related Financial Disclosure Based on TCFD) >

The Company's policy of corporate ethics stipulates that we shall engage in activities to preserve resources and harmonize our business activities with the preservation of the global environment, recognizing that we are a member of society. Due to the nature of the Company's business, its impact on the environment is limited; however, we measure and disclose GHG (greenhouse gas) emissions in our business activities, work to mitigate environmental impact, and conduct education and other activities to raise environmental awareness among employees. In October 2023, we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and simultaneously joined the TCFD Consortium. With reference to the 4°C and 2°C scenarios published by the International Energy Agency (IEA), the Intergovernmental Panel on Climate Change (IPCC), and other external organizations, we have identified and assessed risks and opportunities related to the Company's business and formulated strategies to address them. We referred to the scenarios with the greatest impacts in the items of risks and opportunities, respectively. Please refer to the Annual Securities Report for details of the Company's TCFD initiatives.

[Supplementary Principle 4-1-1. Determination of scope of delegation to management, Disclosure of summary thereof]

The Board of Directors of the Company holds a regular meeting once a month to decide on matters stipulated by laws and regulations and important management-related matters and to supervise the status of business execution by each Director. In addition, the Board of Directors formulates the Medium-Term Management Plan and the annual budget, clarifies the administrative authority and duties of the Directors in achieving the plan and strives to improve the efficiency of the execution of duties. The Company discloses the summary thereof in its Corporate Governance Report, etc.

[Supplementary Principle 4-1-3. Roles and responsibilities of the Board of Directors (1)]

The Company has been operating its business with two Representative Directors since October 2024. In January 2019, the Company established the Nomination and Remuneration Committee as a voluntary advisory committee, which is chaired by an independent Outside Director and consists of one Internal Director and two Outside Directors. In order to ensure objectivity and transparency, the nomination of officers, etc. is determined through deliberation by the Board of Directors after evaluation and consideration of the reasonableness thereof by the Nomination and Remuneration Committee. In addition, the Company strives to develop future senior management through means such as providing opportunities for personnel who are candidates for future successors, including Directors, to attend important meetings, including meetings of the Management Committee.

[Principle 4-9. Independence standards and qualification of independent Outside Directors]

The Board of Directors of the Company does not have any specific independence rules for the election of independent Outside Directors. However, in accordance with the independence criteria set by the Tokyo Stock Exchange, the Board of Directors elects candidates for Outside Director based on the basic view that there is no risk of conflicts of interest with general shareholders and discloses its policy in the Annual Securities Report. The five Outside Directors of the Company fall under the category of independent Outside Directors and have been designated as independent officers.

[Supplementary Principle 4-10-1. Disclosure of views regarding the independence, authority, role, etc. of each committee]

The Company's Board of Directors consists of nine directors, with the five Outside Directors who meet the independence criteria set by the Tokyo Stock Exchange comprising a majority of the Board of Directors. As such, the Company has established a highly independent Board of Directors system and strengthened the supervisory function of the Board of Directors. Each Outside Director expresses his/her own opinions based on his/her expertise and experience and strives to secure a system to strengthen the supervisory function and accountability of the Board of Directors. In January 2019, the Company established the Nomination and Remuneration Committee as a voluntary advisory committee, which is chaired by an independent Outside Director and consists of one Internal Director and two Outside Directors who deliberate important matters. The Company has introduced an Executive Officer system to strengthen governance by separating the supervisory function of the Board of Directors from the business execution function of Executive Officers.

[Supplementary Principle 4-11-1. Formulation of views on the balance between knowledge and other factors, diversity and appropriate size of the Board of Directors as a whole, and Disclosure of policies and procedures for the election of directors]

In order to fulfill its roles and responsibilities effectively, the Board of Directors has a policy of electing, in a balanced manner, directors who are well versed in the operations of each business and administrative division, etc., taking into account the size and details of the Company's business, etc. Four of the five Outside Directors who comprise the Board of Directors have management experience at other companies. In accordance with the independence criteria set by the Tokyo Stock Exchange, the Company elects candidates based on the basic view that there is no risk of conflicts of interest with general shareholders. The above views are described in the Corporate Governance Report and the Annual Securities Report. In addition, a skill matrix listing the abilities and experience of each Director is disclosed in the Notice of Convocation.

[Supplementary Principle 4-11-2. Concurrent positions held by independent Outside Directors]

Although some of the Company's Outside Directors and Outside Audit and Supervisory Committee Members concurrently serve as officers of other companies, the Company believes that the Directors and Audit and Supervisory Committee Members will allocate to their duties the time and effort required to appropriately fulfill their roles and responsibilities. In addition, Internal Directors and full-time Audit and Supervisory Committee Members do not concurrently serve as officers of listed companies other than subsidiaries and affiliates of the Company, and the system allows them to concentrate on their duties as Internal

Directors and Audit and Supervisory Committee Members. Concurrent positions held by Outside Directors and Outside Audit and Supervisory Committee Members of the Company at other companies are described in the Notice of Convocation of the Annual General Meeting of Shareholders, Annual Securities Report and the Corporate Governance Report.

[Supplementary Principle 4-11-3. Disclosure of summary of analysis, evaluation, and results relating to the effectiveness of the Board of Directors]

The Company conducts an analysis and evaluation of the effectiveness of the Board of Directors as a whole once a year in the form of a questionnaire for all Directors and analyzes and evaluates the effectiveness of the Board of Directors as a whole while referring to the self-evaluation, etc. of each Director. The evaluation of the Board of Directors by each Director during the fiscal year under review showed that, as in the previous fiscal year, management was appropriate and active discussions and appropriate deliberations were held, and the effectiveness of the Board of Directors was evaluated as secured. On the other hand, as issues to be addressed in the future, the Company raised the following: consideration of a more diverse composition of the Board of Directors, including personnel with management experience and women; enhancement of materials for the Board of Directors; and strengthening of cooperation with the internal audit division. We will continue to strive to improve corporate governance through the resolution of issues identified in this evaluation and further promote management aimed at the sustainable enhancement of corporate value.

[Supplementary Principle 4-14-2. Disclosure of training policy for Directors and Audit and Supervisory Committee Members]

The Company's basic policy is to provide Directors and Audit and Supervisory Committee Members with training opportunities on an ongoing basis to enable them to fulfill their roles and responsibilities. Directors and Audit and Supervisory Committee Members of the Company actively participate in external seminars held by organizations, etc. of which the Company is a member, in order to acquire and improve necessary knowledge or new knowledge to keep up with the times. As for Internal Directors, once every six months, we provide opportunities for study sessions and training with external instructors. When a Director or Audit and Supervisory Committee Member of the Company takes office, they are provided with opportunities to actively participate in external seminars and other events in order to acquire the broad knowledge necessary for decision-making in corporate management and the knowledge required for business execution.

[Principle 5-1. Policy for constructive dialogue with shareholders]

The Company believes that proactive and constructive dialogue with shareholders and investors is essential to achieve sustainable growth and medium- to long-term enhancement of corporate value. To this end, the Company has established an IR system centered on the Director in charge of IR and is striving to create opportunities for thorough understanding of the Company's management strategies.

Specifically, the Company holds semiannual financial results briefings by management to inform shareholders and investors of the current status and strategies of its business.

[Principle 5-2]

The Company has formulated the Medium-Term Management Plan, which clarifies management strategies and earnings plans for the period under review. In addition to establishing a capital policy and other basic policies, taking into account the Company's capital costs, the Company has formulated and publicly announced management resource allocation measures, such as capital investment and research and development investment, in line with specific business strategies and business portfolios in order to achieve the targeted management indicators.

The current Medium-Term Management Plan is also explained to shareholders in an easy-to-understand manner and posted on

the Company's website.

https://cdc.type.jp/ir/mid_term/

[Measures for realizing management that emphasizes capital cost and stock price] [Refer to English disclosure]

The Company announced the Medium-Term Management Plan "Beyond200" in November 2021, aiming to achieve sustainable growth and enhance corporate value over the medium to long term. The Medium-Term Management Plan describes policies for allocating management resources including specific business strategies and investments. The target management indicator is set at ROE of 15% or more for the final year of the Medium-Term Management Plan (fiscal year ending September 2026). In addition, specific measures are described in "3. Future Issues and Initiatives Based on the Past Status of Items Not Conforming to the Initial Listing Criteria" of the "Progress Report on the Plan toward Compliance with the Initial Listing Criteria" released in November 2024.

2. Capital Structure

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

Name or Company Name	Number of Shares Owned	Percentage (%)
Hiromi Tada	1,232,879	23.58
Custody Bank of Japan, Ltd. (Trust Account)	266,400	5.09
THE BANK OF NEW YORK MELLON 140040	141,057	2.69
Diamond Inc.	120,000	2.29
The Master Trust Bank of Japan, Ltd. (Trust Account)	110,300	2.10
CAREER DESIGN CENTER Employee Stockholding Association	102,800	1.96
RE FUND 107-CLIENT AC	91,893	1.75
Moto Nakagiri	88,000	1.68
THE BANK OF NEW YORK MELLON 140042	84,678	1.61
Kazuhito Yokota	80,700	1.54

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	—
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Name of Parent Company, if applicable	None
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Supplementary Explanation

- Of the above number of shares held by the Master Trust Bank of Japan, Ltd. (trust account), 110,300 shares pertain to the trust business.
- Of the above number of shares held by Custody Bank of Japan, Ltd. (trust account), 266,400 shares pertain to the trust business.
- In the Large Volume Holding Reports made available for public inspection as of June 22, 2023, it was found that FMRLLC held the following shares as of June 15, 2023. However, as the Company has not been able to confirm the actual number of shares held as of September 30, 2024, it is not included in the Status of Major Shareholders above.
FMR LLC 243,200 shares
- In the Large Volume Holding Reports made available for public inspection as of August 7, 2024, it was found that Sumitomo Mitsui DS Asset Management Company, Limited held the following shares as of July 31, 2024. However, as the Company has not been able to confirm the actual number of shares held as of September 30, 2024, it is not included in the Status of Major Shareholders above.
Sumitomo Mitsui DS Asset Management Company, Limited 348,600 shares

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	September
Business Sector	Services
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	500 or more but fewer than 1,000
Net Sales (Consolidated) for 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	Fewer than 10

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

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5. Other Special Circumstances which may have a Material Impact on Corporate Governance

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

1. Organizational Composition and Operation

Corporate Governance System	Company with Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	15
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	9
Election of Outside Directors	Elected
Number of Outside Directors	5
Number of Independent Directors	5

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yoshiyuki Wada	CPA											
Tetsuo Saitou	From another company											
Yukiko Miyaji	Other											
Takashi Sugawara	CPA											
Haruhiko Minami	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.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Audit & Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Yoshiyuki Wada		○	Not applicable.	As a certified public accountant, Mr. Wada has extensive experience and knowledge based on his auditing work at an audit corporation and has appropriately executed his duties by providing advice for enhancing the Company's governance system and ensuring appropriate decision-making by the Board of Directors. In addition, since Mr. Wada does not fall under any of the above grounds and there is no risk of conflicts of interest with general shareholders, the Company has determined that he is appropriate and designated him as an independent officer.
Tetsuo Saitou		○	Not applicable.	Mr. Saitou has extensive knowledge and experience in the operation of listed companies based on his experience working at the Tokyo Stock Exchange and provides advice and recommendations to enhance the Company's governance system and ensure reasonable and appropriate decision-making by the Board of Directors, as appropriate. In addition, since Mr. Saitou does not fall under any of the above grounds and there is no risk of conflicts of interest with general shareholders, the Company has determined that he is appropriate and designated him as an independent officer.
Yukiko Miyaji		○	Not applicable.	Ms. Miyaji has business experience in supporting micro business start-ups and consulting for companies, as well as broad expertise and experience in employee career counseling, human resource development and personnel training. She provides advice and recommendations to enhance the Company's governance system and in the areas of human resources and sustainability management from an independent standpoint. In addition, since Ms. Miyaji does not fall under any of the above grounds and there is no risk of conflicts of interest with general shareholders, the Company has determined that she is appropriate and designated her as an independent officer.
Takashi Sugawara	○	○	Not applicable.	He was elected because he is expected to make comments necessary to ensure reasonable and appropriate decision-making, such as whether there are any problems in the enhancement of the Company's governance system and financial and tax procedures, from

				a professional perspective as a certified public accountant, and to conduct objective audits. In addition, since Mr. Sugawara does not fall under any of the above grounds and there is no risk of conflicts of interest with general shareholders, the Company has determined that he is appropriate and designated him as an independent officer.
Haruhiko Minami	○	○	Not applicable.	He was elected because he has extensive knowledge of finance and treasury and abundant experience in corporate management, and he is expected to provide advice on the enhancement of the Company's governance system and overall management. In addition, since Mr. Minami does not fall under any of the above grounds and there is no risk of conflicts of interest with general shareholders, the Company has determined that he is appropriate and designated him as an independent officer.

Audit & Supervisory Committee

Composition of Audit & Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Audit & Supervisory Committee	3	1	1	2	None

Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee

Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

Since the Audit and Supervisory Committee conducts audits in cooperation with the Internal Audit Office, it does not have employees to assist in the duties of the Audit and Supervisory Committee.

Cooperation among the Audit & Supervisory Committee, Accounting Auditors and Internal Audit Department

Audit and Supervisory Committee Members of the Company and a person in charge of the Internal Audit Office are present when a certified public accountant comments on the audit results. The Audit and Supervisory Committee exchanges opinions and information with the Internal Audit Office and the audit firm as necessary and conducts investigations, information collection, and other matters necessary for the execution of its duties at its discretion. Furthermore, in order to ensure the effectiveness of audits, the Audit and Supervisory Committee Members attend Board of Directors meetings, exchange opinions with the CEO and Directors of the Company, and attend internal meetings necessary for audits.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee 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 and Remuneration Advisory Committee	3	0	1	2	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Advisory Committee	3	0	1	2	0	0	Outside Director

Supplementary Explanation

The Company established the Nomination and Remuneration Committee as a voluntary advisory committee, which is chaired by an independent Outside Director and consists of one Internal Director (Chairman and CEO) and two Outside Directors. In order to ensure objectivity and transparency, the nomination and remuneration of officers, etc. are determined through deliberation by the Board of Directors after evaluation and consideration of their reasonableness by the Nomination and Remuneration Committee.

Matters Concerning Independent Directors

Number of Independent Directors	5
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Other Matters Concerning Independent Directors

The Company designates all outside officers who qualify as independent officers as independent officers.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme
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Supplementary Explanation for Applicable Items

The Company has established a restricted share-based remuneration plan to provide incentives for sustainable enhancement of corporate value and to further share value with shareholders. At the 30th Ordinary General Meeting of Shareholders held on December 17, 2021, the Company resolved that the total amount of compensation to be paid as monetary remuneration claims to

Directors for the purpose of granting restricted shares shall not exceed 80 million yen per year. The specific allocation of restricted shares to each eligible Executive Director is determined by the Board of Directors based on a report by the Remuneration Committee.

Persons Eligible for Stock Options

Supplementary Explanation for Applicable Items

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Director Remuneration

Status of Disclosure of Individual Director's Remuneration

Disclosure for Selected Directors

Supplementary Explanation for Applicable Items

Persons whose total amount of remuneration, etc. is 100 million yen or more shall be individually disclosed in the Annual Securities Report. The Annual Securities Report and the Business Reports are also posted on the Company's website for public inspection.

Policy on Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

a. Basic Policy

Remuneration for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies) is set to function as an incentive to aim for the sustainable enhancement of corporate value. When determining the remuneration of individual Directors, the remuneration should be set at an appropriate level in light of their respective duties. Specifically, the remuneration should consist of basic remuneration as fixed remuneration and stock remuneration as non-monetary remuneration, etc. Outside Directors who fulfill supervisory functions shall be paid only basic remuneration in light of their duties.

b. Policy on determining the amount of basic remuneration for each individual (including policy on determining the timing or the conditions of granting remuneration)

The basic remuneration of Directors of the Company shall be monetary remuneration and, in principle, shall be determined based on the position or role of each Director after comprehensive consideration.

c. Policy on determining the content and the calculation method of the amount or the number of units of non-monetary remuneration (including policy on determining the timing or the conditions of granting remuneration)

Non-monetary remuneration, etc., shall be in the form of restricted shares in order to create a compensation structure aimed at medium- to long-term enhancement of the Company's corporate value and the consequent sustainable improvement of shareholder value. Restricted shares shall be granted pursuant to a resolution of the Board of Directors no later than one month

after the date of commencement of the execution of duties by the eligible Director, and the number of shares granted shall be determined according to the position of the Director. The transfer restriction period shall be from the payment date until the person resigns as Director and Executive Officer of the Company. The transfer restriction shall be lifted on the condition that the person continues to hold the position of Director and Executive Officer for a period determined by the Board of Directors of the Company.

d. Policy on determining the proportion of basic remuneration or non-monetary remuneration, etc. relative to the amount of remuneration, etc. for each individual Director

The Company has established the Nomination and Remuneration Committee as a voluntary advisory committee, which is chaired by an independent Outside Director and comprised of a majority of independent Outside Directors, in order to ensure objectivity and transparency of remuneration for Directors. With respect to the proportion of each type of Director remuneration, the Nomination and Remuneration Committee shall evaluate and consider the performance in each fiscal year and the reasonableness of the proportion. The Board of Directors shall respect the content of the reports of the Nomination and Remuneration Committee and consider the details of individual remuneration for Directors.

In addition, the approximate proportions of the types of remuneration, etc. for each individual Director shall be as follows.

Chairman and CEO: Basic remuneration 60~70%, Non-monetary remuneration 30~40%

Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors): Basic remuneration 90~95%, Non-monetary remuneration 5~10%

Outside Directors: Basic remuneration 100%, Non-monetary remuneration 0%

Directors who are Audit and Supervisory Committee Members: Basic remuneration 100%, Non-monetary remuneration 0%

(Note: Non-monetary remuneration refers to restricted shares.)

e. Matters related to decisions on the content of remuneration, etc. for individual Directors

In deciding basic remuneration out of the remuneration, etc. for individuals, the Board of Directors shall delegate the specific details to the Chairman and CEO subject to the cap resolved at the General Meeting of Shareholders. The Chairman and CEO shall draft a proposal for the amount of remuneration for each individual Director, and consult with the Nomination and Remuneration Committee, a voluntary committee that is chaired by an independent Outside Director and comprised of a majority of independent Outside Directors. Based on its report, the Chairman and CEO shall report to the Board of Directors and determine the amount of remuneration for each individual Director.

As for non-monetary remuneration, etc. out of the remuneration, etc. for each individual Director, the Board of Directors shall resolve the number of shares to be allotted to each individual Director in accordance with the Officers' Stock-based Remuneration Regulations, subject to the cap resolved at the General Meeting of Shareholders.

Support System for Outside Directors

For Outside Directors, staff of the Corporate Planning Section provide information as necessary to enable appropriate discussions and decision-making at the Board of Directors meeting. Employees of the Corporate Planning Section are assigned, as needed, to assist in the duties of Outside Directors who are Audit and Supervisory Committee Members.

In addition, the Full-time Audit and Supervisory Committee Members attend major internal meetings or receive reports on the details of the meetings from the Director in charge, collect various materials, and communicate and discuss with part-time Audit and Supervisory Committee Members as necessary.

Status of Persons who have Retired as Representative Director and President, etc.

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

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

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon, etc.*)
After Retiring as Representative Director and President, etc. 0

Other Related Matters

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

(1) In principle, the Board of Directors meets once a month, and extraordinary meetings are held as necessary. As the management decision-making body, the Board of Directors resolves matters stipulated by laws and regulations and the Articles of Incorporation as well as matters concerning important operations. In addition, the Company holds meetings of the Management Committee, which is composed of the Company's Directors, and the Board of Executives, which is composed of full-time Directors, Executive Officers, business managers, etc., as meeting bodies to conduct sufficient deliberations and discussions on matters to be submitted and reported to the Board of Directors, and deliberates important issues in the discussions on the direction of management, etc. and the execution of business, in accordance with various regulations, including the Regulations of Administrative Authority.

(2) In principle, the Audit and Supervisory Committee meets once a month. The majority of Audit and Supervisory Committee Members shall be Outside Directors, and the independence and transparency of each Audit and Supervisory Committee Member shall be ensured. In addition, Audit and Supervisory Committee Members exchange opinions and information with the Internal Audit Office and the audit firm as necessary and conduct investigations, information collection, and other matters necessary for the execution of their duties at their own discretion. Furthermore, in order to ensure the effectiveness of audits, the Audit and Supervisory Committee Members attend Board of Directors meetings, exchange opinions with the CEO and Directors of the Company, and attend internal meetings necessary for audits.

(3) The Company has appointed Grant Thornton Taiyo LLC to perform accounting audits in accordance with the Companies Act and the Financial Instruments and Exchange Act and pays compensation based on such appointment. There are no special interests between the Company and the audit firm or its managing partners engaged in the Company's audits.

The accounting audit system for the fiscal year ended September 2024 was as follows.

Grant Thornton Taiyo LLC

- Certified public accountant who rendered services

Designated Limited Liability Partner: Kazuhiko Doi

Designated Limited Liability Partner: Koichiro Watanabe

- Composition of assistants pertaining to audit services

Four certified public accountants and 19 others

- (4) At the 30th Ordinary General Meeting of Shareholders held on December 17, 2021, the Company amended its Articles of Incorporation and established provisions regarding limited liability agreements with Directors (excluding Executive Director, etc.). In accordance with the Articles of Incorporation, the Company has entered into limited liability agreements with all Outside Directors to assume liability pursuant to Article 423, Paragraph 1 of the Companies Act up to the amount stipulated by laws and regulations.

3. Reasons for Adoption of Current Corporate Governance System

The Company has opted for the structure of a Company with an Audit and Supervisory Committee based on the belief that the Outside Directors, who are well versed in management, supervise the execution of the Company's business from an independent and fair standpoint, while the full-time Audit and Supervisory Committee Members, with abundant experience and broad knowledge of corporate management, and the Outside Audit and Supervisory Committee Members, with specialized knowledge and experience, conduct audits in cooperation with the Accounting Auditor and the internal audit division, thereby assuring the appropriateness of the Company's business.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company dispatches a Notice of Convocation of the General Meeting of Shareholders three weeks in advance of the meeting date so that shareholders have sufficient time to consider proposals for the Meeting. The matters to be included in the notice of convocation are disclosed on TDnet of the Tokyo Stock Exchange and the Company's website prior to the sending date of the notice of convocation to make them available for review by shareholders.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	From the perspective that the General Meeting of Shareholders provides an opportunity for dialogue with shareholders, we believe that consideration should be given to the schedule so that more shareholders can attend the Meeting. The Company avoids days on which many other companies tend to hold their general meetings of shareholders and schedules the meeting date to enhance the means of communication with shareholders.
Electronic Exercise of Voting Rights	The Company participates in the electronic voting platform operated and administered by ICJ, Inc.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company is working to create an environment that facilitates the exercise of voting rights by institutional and overseas investors, and is working to improve the convenience of shareholders in exercising their voting rights by enabling the exercise of voting rights via the Internet, etc., and by using an electronic voting platform.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	A summary of the Notice of Convocation of the General Meeting of Shareholders and its English translation are disclosed on TDnet of the Tokyo Stock Exchange and the Company's website to make them available for review.
Other	—

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Disclosure Policy, including information on the Company's basic stance, disclosure methods, and quiet period, etc., is posted on the Company's website. For more information, please visit the Company's website. https://cdc.type.jp/company/governance/	
Regular Investor Briefings held for Individual Investors	—	Not Held
Regular Investor Briefings held for Analysts and Institutional Investors	They are held twice a year (in May and November).	Held
Regular Investor Briefings held for Overseas Investors	—	Not Held
Online Disclosure of IR Information	As for IR materials, financial results information and other timely disclosure materials are available on the Company's website. https://cdc.type.jp/ir/ For overseas investors, English translations of disclosure materials and company information are posted on the English IR website. https://cdc.type.jp/en/ir/	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Corporate Planning Section is in charge of IR.	
Other	—	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The information disclosure policy is posted on the Company's website. https://cdc.type.jp/en/ir/disclosurepolicy/
Implementation of Environmental Preservation Activities and CSR Activities, etc.	—
Formulation of Policies, etc. on Provision of Information to Stakeholders	The information disclosure policy is posted on the Company's website. https://cdc.type.jp/en/sustainability/governance/
Other	<p>- Promotion of the advancement of women</p> <p>In order to enable all employees, regardless of age or gender, to play an active role, the Company has worked to provide support for balancing child-rearing and work and for career development. As a result, women account for 57% of all employees.</p> <p>The percentage of female employees in managerial positions is 49% (as of the end of September 2024). In February 2018, the Company was certified by the Minister of Health, Labour and Welfare as "Eruboshi" under the Act on the Promotion of Women's Active Engagement in Professional Life (so-called Act on the Promotion of the Advancement of Women), and received the highest ranking (level 3).</p>

IV. Matters Concerning the Internal Control System

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

- (1) Structure to ensure that the execution of duties by Directors and employees complies with laws and regulations and with the Articles of Incorporation

The Company has established a Policy of Corporate Ethics as a code of conduct for its executives and employees in order to act with a high level of ethics and awareness of compliance. The Company has also established the structure set forth in the Basic Policy of the Internal Control System. In accordance with the internal control plan, we give annual reports on its progress, the status of correction and improvement for problems found during the operation of the internal control system, and the status of implementation of recurrence prevention measures taken as necessary, and we monitor the status of the operation. We strive to appropriately build and operate our internal control system by reporting these results to the Board of Directors.

- (2) Structure for retention and management of information on the execution of duties by Directors

For the retention and management of information on the execution of duties by Directors, the internal regulations define the department responsible for retention and management in accordance with the content.

- (3) Regulations and other structures for the management of risk of loss

In order to enable the Company to grow continuously, our internal regulations define the risk management structure to address anticipated corporate risks promptly and appropriately, and we are operating this structure appropriately.

- (4) Structure to ensure the efficient execution of the duties of Directors

As the management decision-making body, the Board of Directors of the Company resolves matters stipulated by laws and regulations and the Articles of Incorporation as well as matters concerning important operations. In addition, the Management Committee meets as a meeting body for sufficient deliberation and discussion of matters to be submitted and reported to the Board of Directors.

The Company has introduced the Executive Officer system to establish a system that enables more appropriate and prompt responses to changes in the business environment.

- (5) Matters concerning employees to assist in the duties of Audit and Supervisory Committee Members if members request to appoint such employees

Employees who assist Audit and Supervisory Committee Members in their daily duties shall be appointed as needed from among the personnel of the Corporate Planning Section. When such employees are needed on a regular basis, a full-scale Audit and Supervisory Committee Secretariat shall be established and personnel shall be assigned to it.

- (6) Matters concerning the independence from Directors of the employees set forth in the preceding item

Audit and Supervisory Committee Members may order employees who assist in the duties of the Audit and Supervisory Committee Members to implement necessary services. Employees who have received an order necessary for auditing from the Audit and Supervisory Committee shall not be subject to instructions from the Directors, the General Manager of the Internal Audit Office, and managers within the administrative division in the performance of their duties. When such employees are relocated, discussion shall be held with the Audit and Supervisory Committee and the intention of the committee shall be respected.

- (7) The structure for Directors, employees, other people equivalent thereto, or people who have received reports from employees or such people, to make reports to Audit and Supervisory Committee Members, and the structure for other reporting to Audit

and Supervisory Committee Members

In addition to matters to be reported in accordance with laws and regulations, if Directors or employees of the Company learn any facts that may have a material impact on the Company, they shall promptly report such facts to each Audit and Supervisory Committee Member. In addition, Audit and Supervisory Committee Members may request reports from Directors and employees at any time as necessary.

- (8) Structure to ensure that people who have made reports to Audit and Supervisory Committee Members are not treated disadvantageously because of such reporting

The Company shall not treat employees who have made reports through the whistle-blowing system or other similar routes (including reporting to Audit and Supervisory Committee Members, etc.) unfairly because of such reporting.

- (9) Matters concerning the policy on the processing of expenses or debts for the execution of duties by Audit and Supervisory Committee Members

When an Audit and Supervisory Committee Member requests the advance payment of expenses incurred, the reimbursement of expenses that they have paid, or the repayment of debts that they have assumed in relation to the execution of their duties, the Company shall promptly comply with such request unless it can be proven that such expenses, etc. did not arise in relation to the execution of his/her duties.

- (10) Other structure to ensure the effective implementation of audits by Audit and Supervisory Committee Members

The majority of Audit and Supervisory Committee Members shall be Outside Audit and Supervisory Committee Members, and the independence and transparency of each Audit and Supervisory Committee Member shall be ensured. In addition, Audit and Supervisory Committee Members may exchange opinions and information with the Internal Audit Office and the audit firm as necessary, and may conduct investigations, information collection, and other matters necessary for the execution of their duties at their own discretion. Furthermore, in order to ensure the effectiveness of audits, the Company shall strive to improve the environment for auditing by Audit and Supervisory Committee Members, such as by exchanging opinions with Directors or the audit firm and by attending internal meetings necessary for auditing.

- (11) Basic concept of eliminating anti-social forces

The Company shall cut off any relationships with anti-social forces or groups that threaten the order and safety of society, and shall take a resolute stance in dealing with them. With the Corporate Planning Section as the supervisory department, the Company shall collect relevant information from competent police stations, the Council for the Prevention of Specific Violations, and other sources to prepare for unexpected situations. If an incident arises, the Company shall handle it systematically in collaboration with external organizations.

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

- (1) Basic concept of eliminating anti-social forces

The Company's basic policy is not to provide money or other economic benefits to anti-social forces under any circumstances.

- (2) Status of initiatives for eliminating anti-social forces

The Company has established internal regulations to deal with violence resulting from intervention in civil matters by anti-social forces and is striving to eliminate relations with anti-social forces by building a system of cooperation with the police and other external expert agencies.

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

The Company is committed to promptly and fairly disclosing information on facts that may have a material impact on investors' investment decisions and has established a system for the timely disclosure of information.

- (1) After a resolution by the Board of Directors, the information handling manager instructs the Corporate Planning Section to disclose the decision made, and the decision is promptly made public.
- (2) Occurrences (including risk information) are promptly reported to the Chairman and CEO as soon as the relevant department becomes aware of them, and whether to make disclosure is considered and determined. The information handling manager is instructed to disclose facts requiring disclosure, and the Corporate Planning Section promptly discloses them under the disclosure system.
- (3) As for information related to financial results, the Accounting Section and the Corporate Planning Section compile and report a draft of the financial results, including the quarterly financial results and revisions to the forecast of business performance and dividends, etc., to the Board of Directors. After the Board of Directors' approval and provision of instructions to the information handling manager, the Accounting Section and the Corporate Planning Section promptly disclose the information under the system.

