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### **COMSYS Holdings Corporation**

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Securities code: 1721

<https://www.comsys-hd.co.jp/english/>

The corporate governance of COMSYS Holdings Corporation (the “Company”) is described below.

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

### **1. Basic Views**

The Company and its subsidiaries (the “Group”) recognizes that enhancing corporate governance is crucial for increasing corporate value and accordingly aims to serve as a company with genuine capabilities that earn it trust and recognition among all of its stakeholders in striving to improve corporate governance.

Premised on the notion that ensuring corporate managerial transparency and soundness is essential to such ends, the Group will engage in initiatives that involve appropriate information disclosure, promoting compliance, enhancing risk management, rigorously upholding the Group’s action guidelines, fortifying internal controls, and striving to more firmly establish its commitment of contributing to society through its business activities.

Policies of the Company with respect to the five basic principles of Japan’s Corporate Governance Code are as follows.

#### [Basic Principle 1] Securing the Rights and Equal Treatment of Shareholders

The Company appropriately takes action to ensure substantive protection of shareholder rights, including voting rights at General Meeting of Shareholders.

#### [Basic Principle 2] Appropriately Cooperate with Stakeholders Other Than Shareholders

The Company seeks to increase its corporate value by appropriately striving to cooperate with all of its stakeholders, including its shareholders, customers, business partners, employees, and local communities, while pursuing long-term and consistent development of its businesses based on COMSYS Group Management Philosophy.

#### [Basic Principle 3] Ensuring Appropriate Information Disclosure and Transparency

The Company actively discloses information that includes matters subject to disclosure under the principles of Japan’s Corporate Governance Code, in addition to appropriately disclosing information pursuant to laws and regulations.

#### [Basic Principle 4] Duties of the Board of Directors, etc.

The Company’s Board of Directors determines management strategies, business plans, and other basic policy, and also assumes a highly independent managerial supervisory function enlisting the attendance of directors and outside directors who are Audit and Supervisory Committee members. Meanwhile, the Board of Directors facilitates prompt and resolute decision-making in response to proposals of senior management and supervises execution thereof.

Directors serve as management trustees appointed by the shareholders in assuming duty of loyalty and duty of due care with respect to executing such duties in helping to sustainably increase the Company’s corporate value over the medium to long term.

[Basic Principle 5] Dialogue with Shareholders

The Company has appointed a director in charge of IR and furthermore promotes dialogue with its shareholders enlisting its IR Department under the direct control of the President as the department in charge.

**[Reasons for not Implementing the Principles of Japan's Corporate Governance Code]**

The Company complies with all principles of Japan's Corporate Governance Code, which was revised in June 2021.

**[Disclosure Based on the Principles of Japan's Corporate Governance Code]** Update

[Principle 1.4] Cross-Shareholdings

<Policy on cross-shareholdings>

In seeking to increase the Company's corporate value from a medium- to long-term perspective, the Group maintains cross-shareholdings in cases where it deems that such ownership offers business advantages in terms of strengthening and maintaining relationships of trust with its customers and business partners, as well as through more extensive business transactions and partnership. The Board of Directors inspects shares held for the purpose of cross-shareholding on an annual basis with the aims of verifying the significance of ownership for each individual stock and ensuring that profits and risks associated with ownership align with capital costs. Upon having deemed that holding a stock is no longer warranted in terms of significance and appropriateness of ownership based on findings of such verification, the Company accordingly reduces such holdings within a certain period of time taking into account the market environment.

<Exercise of voting rights related to cross-shareholdings>

When exercising voting rights associated with its holdings, the Company appropriately exercises its voting rights upon having determined whether or not such holdings contribute to developing the issuing company and enhancing its shareholder and investor interests, and also upon having determined whether details of the proposal align with the Company's cross-shareholding policy.

[Principle 1.7] Related Party Transactions

Transactions carried out between the Company and its directors and major shareholders are approved by the Board of Directors beforehand. The status of such transactions is reported to the Board of Directors and disclosed in the annual securities report, etc., except for matters that are immaterial within the scope of laws and regulations.

<<Supplementary Principle 2.4.1>>

<Approach to ensuring diversity, human resources development policy, and internal environmental development policy>

The Group promotes diversity based on the belief that active participation of a diverse workforce is essential to its continued growth. As such, it accordingly develops human resources and establishes an internal environment underpinned by a policy of (1) discovering talented human resources, (2) developing a corporate culture that enables all employees to generate novel ideas regardless of their genders and backgrounds, and (3) addressing changes and needs of society. Moreover, the Group is working to increase its ratio of women in management positions by actively hiring female employees and engaging in various initiatives focused on encouraging active participation of women in the workplace.

<Voluntary and measurable goals for ensuring diversity and status thereof>

The numbers of employees and ratios thereof stated as follows constitute quantitative data pertaining to the Company and nine major consolidated subsidiaries.

(1) Female Employees

The Company is taking steps to achieve the following goals by the end of March 2025: (1) increasing the proportion of women among new graduate hires to at least 30% of all new graduate hires, and (2) increasing the number of women in management positions to at least 30% of the managerial workforce relative to the level of April 2021 (increase of 15 or more). As of May 2024, (1) women account for 23% of all new graduate hires, and (2) there are 58 women in management positions (an increase of 10 women relative to April 2021).

(2) Foreign Employees

Measurable targets with respect to non-Japanese employees are not stated given that the Group primarily engages in business domestically in Japan. The Company currently employs 14 foreign employees, none of whom are managers.

(3) Mid-career Hires

Every year, mid-career hires capable of producing immediate results join the Company mainly to serve as management. As of May 2024, the Company employs 1,934 mid-career hires, of whom 649 are managers. With mid-career hires accounting for 30% of the managerial workforce, the Company seeks to ensure that the ratio does not fall below 30% going forward.

[Principle 2.6] Functioning as Asset Owner of Corporate Pension Funds

Nippon COMSYS Corporate Pension Fund manages the Company's corporate pension fund.

Nippon COMSYS Corporate Pension Fund appropriately manages the corporate pension fund in cooperation with fund management consultants. It has furthermore established an asset management committee composed of professionals equipped with the experience and qualifications necessary for asset management. The committee meets quarterly for the purpose of selecting individual investments, checking the status of investment, and verifying the overall soundness of the fund.

[Principle 3.1] Enhancement of Information Disclosure

(1) Disclosure of Management Philosophy, Management Strategies and Business Plans, etc.

<Management Philosophy>

COMSYS Group Management Philosophy

At the COMSYS Group, we are united as a Group and strive for strong partnership and collaboration with diverse external players in achieving our management philosophy.

- We will build a company that customers continue to choose through the construction of diverse infrastructure that carries our era forward.
- We will contribute to our country and local communities by building social infrastructure that supports affluent lifestyles.
- We will continue with unrelenting reform in our aim to further increase corporate value.

The COMSYS Group's business domain extends beyond that of telecommunications equipment work of its Carrier-related Business to also include operations of its IT Solutions Business and Social System-related Business encompassing various types of infrastructure projects that underpin social and economic activity extending from ICT-related work to establishing urban environments and renewable energy projects such as those involving solar power.

This management philosophy calls for harnessing efforts of the entire COMSYS Group toward seeking solutions to various social challenges and achieving a sustainable society underpinned by a vow of further contributing to the Group's three categories of stakeholders—its customers, society, and its shareholders and Group employees.

For customers

– Construction of diverse infrastructure that carries our era forward –

While aspiring to further business expansion, we aim to be a corporate group that receives the highest evaluation from customers on the service front, including quality, delivery, and price.

For society

– Building social infrastructure that supports affluent lifestyles –

We believe it is our mission to contribute to the nation and local communities by building diverse infrastructure.

For shareholders and Group employees

– Unrelenting reform and further increasing corporate value –

We will continue with structural reform initiatives to overcome the tough competitive environment with the aim of raising productivity and strengthening cost competitiveness, including the multi-skilling of human resources and the establishment of a construction IT platform.

<Management strategies and business plans>

The Group formulates medium-term management plans encompassing its management strategies and business plans, and accordingly implements various measures to achieve such objectives.

The Group extended the medium-term management plan that was set to conclude in the previous fiscal year by one year, and in FY2024, will continue to pursue various initiatives under COMSYS VISION NEXT STAGE 2023 +1 (Plus One) toward achieving the initial goals.

For further details on COMSYS VISION NEXT STAGE 2023 +1, please refer to the financial results briefing materials for the fiscal year ended March 31, 2024, posted to the Company's website.

(<https://www.comsys-hd.co.jp/english/ir/index/index.html>)

- (2) Disclosure of Basic Policy on Corporate Governance  
Please refer to "1. Basic Views" under "I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information" in this report.
- (3) Policies and Procedures for Determining Remuneration of Directors  
Please refer to "Director Remuneration" and "Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof" in "1. Organizational Composition and Operation" under "II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management" in this report.
- (4) Policies and Procedures for Nomination of Directors  
Please refer to "(Nomination of Directors)" under "2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Remuneration Decisions" in "II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management" in this report.
- (5) Explanation on Individual Director Appointments and Nominations  
The Company's Board of Directors approves appointments and nominations upon having examined details of individual director candidates, taking into account the aforementioned "(4) Policies and Procedures for Nomination of Directors." The Company discloses reasons for appointments of individual candidates through its notice of general meeting of shareholders based on resolutions of its Board of Directors. For further details, please refer to page 5 to page 10 of the "NOTICE OF THE 21ST ORDINARY GENERAL MEETING OF SHAREHOLDERS" posted to the Company's website.

<<Supplementary Principle 3.1.3>>

On May 12, 2022, the Board of Directors determined the sustainability basic policy of the Group as follows.

- (1) Basic Concepts  
Under its management philosophy of building a company that customers continue to choose through the construction of diverse infrastructure that carries our era forward, contributing to our country and local communities by building social infrastructure that supports affluent lifestyles, and aiming to further increase corporate value with unrelenting reform, as a comprehensive engineering company that leads the construction of telecommunications and social infrastructure, the COMSYS Group is committed to building the infrastructure for a smart society, shaping the future. Through these endeavors, we not only aspire to contribute to society in line with the SDGs but also to the sustainable growth of our Group. This commitment forms the cornerstone of our sustainability policy.
- (2) Identifying Material Issues (Materiality)  
The Company identifies particularly important sustainability challenges as material issues (materiality) in alignment with its basic policy on sustainability, and also in alignment with individual policies formulated when necessary on matters such as the environment, quality, health and safety, and human rights. The Sustainability Committee engages in deliberation and decision-making regarding material issues, then reports such matters to the Board of Directors. Material issues are subject to reassessment as necessary.

(3) Incorporating Measures and Benchmarks into Business Plans and Monitoring Thereof

The Sustainability Committee regularly monitors progress and achievement of priority measures and KPIs related to material issues, upon the Company having incorporated them into medium-term management plans and business plans for each fiscal year.

(4) Disclosure

The Company discloses its sustainability initiatives, progress thereof, KPIs, and other such matters to its stakeholders in an appropriate and timely manner. The Company discloses the impact of risks and earnings opportunities related to climate change on the Company's business activities and profits based on the TCFD disclosure framework.

In the Sustainability Committee, the Group engages in deliberation and decision-making regarding specific policies, strategies and action plans for promoting sustainability, particularly in terms of reducing CO<sub>2</sub> emissions based on our sustainability basic policy. The committee furthermore monitors implementation of such initiatives by each of the Group companies.

Please refer to the information on disclosure based on the TCFD framework posted to the Company's website. ([https://www.comsys-hd.co.jp/english/pdf/sdgs\\_report\\_e.pdf](https://www.comsys-hd.co.jp/english/pdf/sdgs_report_e.pdf))

Please refer to the Company's Integrated Report "COMSYS GROUP REPORT 2023" for details on its investments in human capital and other such matters. Going forward, the Company will disclose information regarding its investments in human capital and intellectual properties as appropriate with respect to disclosure of its medium-term management plans and other management strategies.

([https://www.comsys-hd.co.jp/pdf/ir\\_library6/integratedreport2023e.pdf](https://www.comsys-hd.co.jp/pdf/ir_library6/integratedreport2023e.pdf))

<<Supplementary Principle 4.1.1>>

The Company has formulated its "Rules of the Board of Directors" and "Criteria for Submitting Matters to the Board of Directors for Deliberation," thereby stipulating details subject to deliberation by the Board of Directors and articulating the scope of management execution based on the "Authority Rules" with respect to other matters. Specifically, the Board of Directors makes decisions regarding matters that include agenda items of General Meeting of Shareholders and other important matters stipulated under the Companies Act, and management strategies, business plans, and other fundamental aspects of management. Individual decisions regarding business execution based on such details are delegated to each of the directors in charge of such business operations. The Authority Rules articulate the scope of delegated responsibilities.

The Company arranges Executive Committee consisting of directors who are not Audit and Supervisory Committee members, Associate Directors and a full-time Audit and Supervisory Committee member to facilitate smooth and accurate decision-making of the President and Representative Director. The committee deliberates on important matters of business execution, including items to be resolved by the Board of Directors.

[Principle 4.9] Independence Standards and Qualifications for Independent Outside Directors

Please refer to "Matters Relating to Independent Officers" of "Independent Officers" under "1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management" in this report.

<<Supplementary Principle 4.10.1>>

The Company has established the Nomination and Remuneration Advisory Committee, which includes outside directors, to strengthen functional independence, objectivity, and accountability of the Board of Directors. In the course of examining particularly important matters such as nomination and remuneration, the committee appropriately enlists involvement and advice from outside directors, such that includes their perspectives on succession planning, gender and other diversity considerations, and skills. A majority of the committee's members are independent outside directors, thereby ensuring independence.

<<Supplementary Principle 4.11.1>>

The Company's Board of Directors consists of internal directors who are familiar with the Company's business and outside directors who monitor management from an independent standpoint to enhance management efficiency and to maintain and strengthen sound management by enhancing the audit function by the Audit and Supervisory Committee members.

In appointing internal directors, the Company places importance on the ability and track record of directors who are familiar with their respective business segments, and are capable of understanding the overall business and carrying out activities, able to make accurate and prompt decisions, and are able to appropriately manage risks. With respect to the appointment of outside directors, the Company comprehensively considers that they satisfy the requirements of the Company's independence criteria and have diverse viewpoints, a wealth of experience, a high level of insight and expertise, and are familiar with management in total, and in particular, include directors who have management experience at other companies.

In order to solve the Company's issues, the Company has defined the areas in which it particularly expects each director to contribute, namely "Business management," "Equipment construction and operation/Project management," "New business development/Business expansion promotion," "DX promotion/Technology development," "Legal/Risk management," "Human Resources/Labor/Diversity," "Accounting/Finance," and "Sustainability," as presented in the Skill Matrix, attached.

#### <<Supplementary Principle 4.11.2>>

The Company seeks to ensure that its directors are able to devote the time and effort necessary to appropriately fulfill their roles and duties. As such, the Company advises its directors who concurrently serve as officers of other listed companies to hold such concurrent positions at no more than four other companies. The Company accordingly discloses significant concurrent positions of each director, including those at other companies, in the Business Report and the Reference Documents for the General Meeting of Shareholders. For further details, please refer to the Company's website. (<https://www.comsys-hd.co.jp/english/pdf/tsuti20240530e.pdf>)

#### <<Supplementary Principle 4.11.3>>

The Company carries out the overall operation of the Board of Directors, including the scheduling of meetings and the items to be resolved, etc. based on the Rules of the Board of Directors. In addition to performing oversight of the status of the directors' execution of duties each quarter at meetings of the Board of Directors, the Company strives to secure the effectiveness of the Board of Directors as a whole, which entails providing, as needed, opportunities for discussions between the internal directors, including the President and Representative Director, and the outside directors after meetings of the Board of Directors. Furthermore, the Company administers an annual questionnaire for all directors as part of its efforts to evaluate the effectiveness of the Board of Directors. Effective from FY2023, as part of measures to enhance independence, objectivity, and transparency, the Company commissions the tasks of administration, tabulation, and analysis of questionnaires to a third-party organization.

#### <Initiatives to improve effectiveness in the previous fiscal year>

In FY2022, the Company took steps to improve the composition and operations of the Board of Directors with the aim of strengthening corporate governance, etc. At its Ordinary General Meeting of Shareholders held in June 2023, the Company furthermore took action toward better ensuring prompt and accurate decision-making and further strengthening supervisory function with respect to corporate management, and also sought to ensure diversity of the Board of Directors, in serving as a pure holding company. To such ends, the Company reduced the total number of directors from 14 to 10 directors, while increasing the ratio of outside directors from 36% to 40% and appointing a female director. The Company also amended its Articles of Incorporation in allowing for directors other than the President to serve as chairperson of the Board of Directors and allowing for the non-executive Chairman and Director to serve as chairperson in order to maintain and enhance the ability of the Board of Directors to provide an independent and objective managerial supervisory function.

#### <FY2023 methods for evaluating effectiveness of the Board of Directors>

The Company enhances independence, objectivity, and transparency as a result of it having commissioned a third-party organization to handle administration, tabulation, and analysis of questionnaires effective from FY2023. Meanwhile, each director completed anonymous self-evaluation regarding the main items of the questionnaires, which included composition and operation of the Board of Directors, management strategies and business strategies, corporate ethics and risk management, evaluation and remuneration of management, dialogue with shareholders, etc. The Board of Directors then discussed questionnaire findings derived from tabulation and analysis performed by a third-party organization.

#### <Summary of results>

The third-party organization that tabulated and analyzed the questionnaires found there to have been a high proportion of positive evaluations among the responses, with particularly high marks having been furnished with respect to improvement in composition and operation of the Board of Directors, as well as development of the

risk assessment process. Additionally, based on subsequent discussions by the Board of Directors, the Company finds that effectiveness of the Board of Directors has been ensured and has improved relative to the previous year, although there are some matters warranting that the Company redouble efforts toward enhancing effectiveness.

<Initiatives to improve effectiveness going forward>

The FY2023 Board of Directors effectiveness evaluation identified aspects warranting enhanced efforts that include exploring options for achieving further improvement in composition of the Board of Directors, carrying out more extensive deliberations and discussions regarding matters such as the Company's strategies, further strengthening Group governance, and expanding information disclosure. Regarding the aforementioned matters, the Company will work to further heighten effectiveness of the Board of Directors by having the Board of Directors continue to discuss and explore options, in part through discussions held enlisting a forum for free and open exchange of opinions among members of the Board of Directors.

<<Supplementary Principle 4.14.2>>

The Company holds annual training sessions led by external instructors for newly appointed officers from each company of the Group, such that cover duties and responsibilities of directors and auditors, and accounting essentials for officers.

Additionally, the Company will strive to enhance knowledge and ability of its directors, including Audit and Supervisory Committee members, and to strengthen Group governance by providing Company-funded training and seminar opportunities as needed, such that will include training on laws and regulations.

[Principle 5.1] Policy for Constructive Dialogue With Shareholders

The Company has appointed a Director in charge of IR and has furthermore established the IR Department under the direct control of the President as the department in charge. The IR Department gathers information on a daily basis in the course of cooperating with the Corporate Planning Department, Finance & Accounting Department, General Affairs Department, and entities such as the respective supervisory business companies. For shareholders and other investors, the IR Department actively embraces opportunities for individual meetings and other such forums, whereby the President and Representative Director, Director in charge of IR, and others accommodate meetings as necessary. In Japan, the Company holds financial results briefings (twice annually) enlisting explanations by the President and Representative Director, and when necessary, holds small meetings, etc. In overseas, the Company arranges investor visits to the United States, Europe, and Asia, with such responsibilities shared among the President and Representative Director and others in management, taking into account the Company's shareholder composition.

The IR Department compiles questions and feedback received from shareholders and other investors through its domestic and international IR activities, and regularly reports such information to relevant parties in Executive Committee. When engaging in dialogue with its shareholders and other investors, the Company appropriately manages insider information in adhering to its COMSYS Group Insider Trading Management Rules, which are internal regulations.

The Company discloses details on the dialogue between management, etc. and shareholders of the previous fiscal year in the Company's Integrated Report issued in autumn on an annual basis.

(<https://www.comsys-hd.co.jp/english/ir/index/index.html>)

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

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

[Update date:Nov.14,2024]

The Company seeks to achieve steady growth by striking a balance between improving capital efficiency and maintaining a sound financial position underpinned by the pillars of increasing its ROE over the medium to long term, consistently making growth investment, and persistently furnishing substantial shareholder returns.

Meanwhile, the Company discloses details on its initiatives taken in a manner that is mindful of the cost of capital and the stock price in its financial results briefing materials.

(<https://www.comsys-hd.co.jp/english/ir/index/index.html>)

## 2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%
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### [Status of Major Shareholders]

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	29,957,600	25.09
Custody Bank of Japan, Ltd. (Trust Account)	13,173,100	11.03
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	4,368,400	3.65
Nippon Life Insurance Company	3,247,179	2.72
COMSYS Holdings Employee Shareholding Association	2,283,578	1.91
STATE STREET BANK AND TRUST COMPANY 505103	2,157,051	1.80
NORTHERN TRUST CO.(AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	2,022,300	1.69
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	1,864,544	1.56
Sumitomo Realty & Development Co., Ltd.	1,661,900	1.39
NORTHERN TRUST CO.(AVFC) RE NON TREATY CLIENTS ACCOUNT	1,591,500	1.33

Controlling Shareholder (except for Parent Company)	—
Parent Company (Listed Stock Market)	None

### Supplementary Explanation

- The Company held 13,622,197 shares of treasury stock as of March 31, 2024, but is not included among the major shareholders, aforementioned.
- The Statement of Large-Volume Holdings (statement of changes) made available for public inspection on May 1, 2023, states that joint holders of Mitsubishi UFJ Financial Group, Inc. own the following shares as of April 24, 2023. However, because the Company is unable to confirm the actual number of shares held as of March 31, 2024, they are not included among the major shareholders above. Content of the Statement of Large-Volume Holdings (statement of changes) is as follows.

MUFG Bank, Ltd.	507,398 shares	0.36%
Mitsubishi UFJ Trust and Banking Corporation	2,000,456 shares	1.42%
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	3,398,300 shares	2.41%

- The Statement of Large-Volume Holdings (statement of changes) made available for public inspection on May 19, 2023, states that Nomura Securities Co., Ltd. and its joint holders own the following shares as of



May 12, 2023. However, because the Company is unable to confirm the actual number of shares held as of March 31, 2024, they are not included among the major shareholders above. Content of the Statement of Large-Volume Holdings (statement of changes) is as follows.

Nomura Securities Co., Ltd.	256,433 shares	0.18%
NOMURA INTERNATIONAL PLC	(30,702) shares	(0.02)%
Nomura Asset Management Co., Ltd.	13,095,400 shares	9.29%

4. The Statement of Large-Volume Holdings (statement of changes) made available for public inspection on May 19, 2023, states that Daiwa Asset Management Co. Ltd. owns the following shares as of May 15, 2023. However, because the Company is unable to confirm the actual number of shares held as of March 31, 2024, they are not included among the major shareholders above. Content of the Statement of Large-Volume Holdings (statement of changes) is as follows.

Daiwa Asset Management Co. Ltd.	5,879,400 shares	4.17%
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5. The Statement of Large-Volume Holdings (statement of changes) made available for public inspection on February 1, 2024, states that SILCHESTER INTERNATIONAL INVESTORS LLP owns the following shares as of January 31, 2024. However, because the Company is unable to confirm the actual number of shares held as of March 31, 2024, they are not included among the major shareholders above. Content of the Statement of Large-Volume Holdings (statement of changes) is as follows.

SILCHESTER INTERNATIONAL INVESTORS LLP	10,788,300 shares	8.11%
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### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Construction
Number of Employees (Consolidated) as of End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of End of the Previous Fiscal Year	From 50 to less than 100

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

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### 5. Other Special Circumstances That May Have Serious Effects on Corporate Governance

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## II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision

### 1. Organizational Composition and Operation

Organization Form	Company with audit and supervisory committee
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors	Other Member of the Board of Directors
Number of Directors	10
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Officers Designated From Among Outside Directors	4

#### Outside Directors' Relationship With the Company (1)

Name	Attribute	Relationship With the Company*										
		a.	b.	c.	d.	e.	f.	g.	h.	i.	j.	k.
Kenichi Nakatogawa	CPA											
Hiroyuki Asai	From another company											
Kyoko Ichikawa	CPA											
Masaya Hirano	Attorney at law											

\* Categories for "Relationship With the Company"

\* "○" 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. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary

b. Non-executive director or executive of the parent of the Company

c. Executive of a fellow subsidiary of the Company

d. Party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a director

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., and f.) (the director himself/herself only)

i. Executive of a corporation to which outside officers are mutually appointed (the director himself/herself only)

j. Executive of a corporation that receives a donation from the Company (the director himself/herself only)

k. Other

Outside Directors' Relationship With the Company (2)

Name	Audit and Supervisory Committee Member	Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Kenichi Nakatogawa	○	○	—	<p>Kenichi Nakatogawa provides advice and suggestions from multiple perspectives based on his highly specialized knowledge and insight about finance, accounting and tax affairs as a certified public accountant and a certified public tax accountant. He also endeavors to ensure transparency in officer appointments and remuneration as a member of the Nomination and Remuneration Advisory Committee. As such, the Company believes that he will help further strengthen the Company's corporate governance. Moreover, he has been designated as an independent officer given that he satisfies all such requirements related to listed company compliance as stipulated by the Tokyo Stock Exchange and given that conflicts of interest are unlikely to arise between him and the ordinary shareholders.</p>
Hiroyuki Asai	○	○	—	<p>Hiroyuki Asai provides advice and suggestions from multiple perspectives based on his expert knowledge as a director at a non-ferrous metal company entailing many years of operational experience such as human resources, personnel development and corporate planning, and his abundant experience and insight regarding company management. He also endeavors to ensure transparency in officer appointments and remuneration as a member of the Nomination and Remuneration Advisory Committee. As such, the Company believes that he will help further strengthen the Company's corporate governance. Moreover, he has been designated as an independent officer given that he satisfies all such requirements related to listed company compliance as stipulated by the Tokyo Stock Exchange and given that conflicts of interest are unlikely to arise between him and the ordinary shareholders.</p>

Name	Audit and Supervisory Committee Member	Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Kyoko Ichikawa	○	○	—	Kyoko Ichikawa provides advice and suggestions from multiple perspectives based on her highly specialized knowledge and insight about finance, accounting and tax affairs as a certified public accountant and a certified public tax accountant in addition to her deep and profound knowledge of internal control systems. She also endeavors to ensure transparency in officer appointments and remuneration as a member of the Nomination and Remuneration Advisory Committee. As such, the Company believes that she will help further strengthen the Company's corporate governance. Moreover, she has been designated as an independent officer given that she satisfies all such requirements related to listed company compliance as stipulated by the Tokyo Stock Exchange and given that conflicts of interest are unlikely to arise between her and the ordinary shareholders.
Masaya Hirano	○	○	—	Masaya Hirano provides advice and suggestions from multiple perspectives based on his highly specialized knowledge and insight regarding laws and regulations as an attorney, in addition to his deep and profound knowledge of M&A and alliances (corporate partnerships). He also endeavors to ensure transparency in officer appointments and remuneration as a member of the Nomination and Remuneration Advisory Committee. As such, the Company believes that he will help further strengthen the Company's corporate governance. Moreover, he has been designated as an independent officer given that he satisfies all such requirements related to listed company compliance as stipulated by the Tokyo Stock Exchange and given that conflicts of interest are unlikely to arise between him and the ordinary shareholders.

**[Audit and Supervisory Committee]**

Committee's Composition and Chairperson's Attributes

	Total Committee Members	Full-time Members	Internal Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	5	1	1	4	Internal director

Appointment of Directors and/or Employees to Support Duties of the Audit and Supervisory Committee	Appointed
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Matters Relating to Independence of the Relevant Directors and Employees from Executive Directors

The Company has established the Audit and Supervisory Committee's Office to support smooth execution of audits by facilitating activities of the Audit and Supervisory Committee. Whereas no directors are assigned to facilitate duties of the Audit and Supervisory Committee, one manager of Audit and Supervisory Committee's Office and one staff member serve as employees assigned to facilitate duties of the Audit and Supervisory Committee.

Cooperation Among Audit and Supervisory Committee, Accounting Auditor and Internal Control Auditing Department

The Company has established a system that enables it to continuously monitor whether or not business execution is being conducted properly and efficiently by having Audit and Supervisory Committee members accompany the Accounting Auditor and others in accordance with auditing plans, and by having them closely cooperate with the Accounting Auditor and the Internal Control Auditing Department in part through their on-site attendance of accounting audits and internal audits.

Moreover, the Audit and Supervisory Committee has Audit and Supervisory Committee members who have engaged in on-site attendance of internal audits and accounting audits furnish it with reports on matters such as the status and findings of such audits. The committee furthermore establishes close cooperation whereby it directly exchanges opinions with the Internal Control Auditing Department as necessary, and also regularly holds meetings to exchange opinions with the Accounting Auditor.

**[Voluntary Committees]**

Establishment of Voluntary Committee(s) Equivalent to Nomination Committee or Remuneration Committee	Established
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Voluntary Committee's Name, Composition, and Chairperson's Attributes

	Committee Equivalent to Nominating Committee	Committee Equivalent to Remuneration Committee
Committee's Name	Nomination and Remuneration Advisory Committee	Nomination and Remuneration Advisory Committee
Total Committee Members	6	6
Full-time Members	0	0
Internal Directors	2	2
Outside Director	4	4
Outside Experts	0	0
Other	0	0
Chairperson	Internal director	Internal director

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Supplementary Explanation

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The Nomination and Remuneration Advisory Committee assumes functions of both a nomination committee and a remuneration committee in the course of it deliberating director candidates and director remuneration as advised by the Board of Directors, and subsequently reporting such findings to the Board of Directors.

As of June 27, 2024, the membership of the Nomination and Remuneration Advisory Committee, which consists of the Chairman and Director, the President and Representative Director, and four independent outside directors, is as follows.

Chairperson Chairman, Director Takashi Kagaya

Reason for selection Takashi Kagaya serves as a member and the chairperson of the Nomination and Remuneration Advisory Committee enlisting his perspectives of having played a leading role in management over many years and having overseen management of the overall Group in serving as the Chairman and Director.

Committee member President, Representative Director Hiroshi Tanabe

Reason for selection Hiroshi Tanabe serves as a member of the Nomination and Remuneration Advisory Committee enlisting his standpoint in spearheading Company-wide strategy toward enabling the Group to achieve sustainable growth in increasing its corporate value over the medium to long term in serving as President and Representative Director, and given his role as President and Representative Director of Nippon COMSYS Corporation, the core operating company handling the Group's overall business strategies.

Committee member Independent outside Director Kenichi Nakatogawa

Reason for selection Kenichi Nakatogawa serves as a member of the Nomination and Remuneration Advisory Committee in providing advice and suggestions from multiple perspectives based on his highly specialized knowledge and insight about finance, accounting and tax affairs as a certified public accountant and a certified public tax accountant, and also given that the Company believes that he will help further strengthen the Company's corporate governance.

Committee member Independent outside Director Hiroyuki Asai

Reason for selection Hiroyuki Asai serves as a member of the Nomination and Remuneration Advisory Committee using his highly specialized knowledge and discernment as a director at a non-ferrous metal company entailing many years of experience supervising human resources, personnel development and corporate planning, and his abundant experience and insight regarding company management and also his familiarity with officer appointments and remuneration.

Committee member Independent outside Director Kyoko Ichikawa

Reason for selection Kyoko Ichikawa serves as a member of the Nomination and Remuneration Advisory Committee enlisting her highly specialized knowledge and insight about finance, accounting and tax affairs as a certified public accountant and a certified public tax accountant, her deep and profound knowledge of internal control systems, and her ability to appropriately provide advice and suggestions from a perspective of diversity in her role as the Company's female director.

Committee member Independent outside Director Masaya Hirano

Reason for selection Masaya Hirano serves as a member of the Nomination and Remuneration Advisory Committee enlisting his highly specialized knowledge and insight regarding laws and regulations as an attorney, his international perspective due to his overseas work experience, and his ability to appropriately provide advice and suggestions from various perspectives.

The Secretariat of the Nomination and Remuneration Advisory Committee is in charge of the HR Department. The Nomination and Remuneration Advisory Committee held three meetings in FY2023, with full attendance by all committee members at each session.

**[Independent Officers]**

Number of Independent Officers	4
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## Matters Relating to Independent Officers

### [Principle 4.9]

When appointing outside directors, the Company seeks professionals equipped with the following experience and qualifications in ensuring that they are capable of advising, suggesting and supervising the Company's management, in addition to addressing requirements of independence as stipulated by the Companies Act and the Tokyo Stock Exchange.

- (1) Person who is familiar with corporate management and equipped with experience at other companies as the officer and management team
- (2) Person equipped with specialized knowledge in any of the recognized areas, such as laws and regulations, finance, accounting, and taxation.

The Company enlists a policy of registering as independent officers all outside officers who satisfy the independent officer criteria.

### [Incentives]

Implementation of Measures to Provide Incentives to Directors	Performance-linked remuneration plan and stock options plan
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### Supplementary Explanation

Having introduced a performance-linked remuneration plan, the Company pays bonuses as cash-based remuneration, calculated by multiplying basic remuneration by a predetermined index adjusted to reflect the performance evaluation. The performance evaluation index is determined based on the extent to which the Company has achieved year-on-year targets and business plan targets for consolidated net sales and consolidated operating profit, which are recognized by the Company as key benchmarks, adjusted to reflect quantitative and other assessment regarding the extent to which year-on-year targets and business plan targets have been achieved by supervisory business companies with respect to which each of the directors concurrently serves. Moreover, the Company has also adopted restricted stock compensation plan and a conventional-type stock options plan to serve as non-monetary remuneration (long-term incentive remuneration).

The purpose of the advance-grant type restricted stock compensation plan is that of achieving sustained improvement in the Company's corporate value and stock price by establishing a perspective aligned with that of shareholders. The purpose of the conventional-type stock options plan, with an exercise price equal to or greater than the market price at time of issuance, is that of further heightening morale and prompting motivation in terms of helping to improve the Company's consolidated financial performance, and also that of further encouraging an approach to management seeking to increase shareholder value.

In FY2023, expense recorded for non-monetary remuneration (long-term incentive remuneration) amounted to ¥48 million. The expense consists of ¥17 million in expense recorded for restricted stock compensation and ¥30 million in expense recorded for subscription rights to shares granted as conventional-type stock options.

Benchmarks with respect to proportions of the individual remuneration, etc. types based on positions in the Company are as follows.

Position/fixed remuneration (basic remuneration)/performance-linked remuneration (bonus)/non-monetary remuneration (long-term incentive remuneration)

President, Representative Director/50%/20%/30%

Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)/60%/20%/20%

Recipients of Stock Options	Internal directors, subsidiaries' directors, subsidiaries' executive officers and subsidiaries' employees
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### Supplementary Explanation

The conventional-type stock options are to be granted to directors of the Company (excluding directors who are Audit and Supervisory Committee members) as well as to directors and executive officers of the Company's subsidiaries.

## [Director Remuneration]

Disclosure of Individual Directors' Remuneration	No individual disclosure
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Supplementary Explanation
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Individual remuneration has not been disclosed because there are no individual directors whose total consolidated remuneration exceeds ¥100 million.

In FY2023, the amounts of remuneration for directors (excluding directors who are Audit and Supervisory Committee members) and for directors (Audit and Supervisory Committee members) are as follows.

Category/total remuneration, etc./fixed remuneration (basic remuneration)/performance-linked remuneration (bonus)/non-monetary remuneration (long-term incentive remuneration)/number of eligible officers  
Director (excluding Audit and Supervisory Committee members)/¥135 million/¥65 million/¥20 million/¥48 million/12 officers  
Director (Audit and Supervisory Committee members)/¥50 million/¥50 million/-/-/8 officers  
(Of which, outside directors)/(¥35 million)/(¥35 million)/(-)/(-)/(7 officers)

\* The amounts paid to the aforementioned directors (excluding directors who are Audit and Supervisory Committee members) includes estimated amount of director bonus payment associated with FY2023 and expense recorded for subscription rights to shares granted as restricted stock compensation and conventional-type stock options.

Policy for Determining Remuneration Amounts or Calculation Methods Thereof	Established
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Disclosure on Policy for Determining Remuneration Amounts and Calculation Methods
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[Principle 3.1.(3)]

### 1. Directors Who Are Not Audit and Supervisory Committee Members

#### (1) Method of determining policy on determining individual remuneration and other details

At its meeting held on February 5, 2021, the Board of Directors resolved the policy on determining remuneration and other details with respect to individual directors based on details reported to it upon having consulted with the Nomination and Remuneration Advisory Committee.

#### (2) Basic policy for determining remuneration, etc.

Basic policy enlisted when determining remuneration, etc., consists of the following.

- The remuneration structure should be arranged in a way that motivates recipients to sustainably enhance corporate value.
- Remuneration should be sufficient to attract outstanding talent capable of embodying COMSYS Group Management Philosophy in serving as directors.

#### (3) Structure of remuneration, etc.

The structure of remuneration, etc. consists of “basic remuneration” serving as fixed remuneration, “bonus” serving as remuneration linked to financial performance, and “restricted stock compensation and conventional-type stock options” serving as non-monetary remuneration (long-term incentive remuneration). Pursuant to resolution of the 17th Ordinary General Meeting of Shareholders held on June 26, 2020, the Company adopted the restricted stock compensation plan upon discontinuance of the share remuneration-type stock option plan on the same date.

#### (4) Method of determining remuneration and other details

Matters involving determination of remuneration and other details are to be resolved by the Board of Directors within the limits approved at the General Meeting of Shareholders.

The authority to determine fixed remuneration amounts (basic remuneration) for directors of the Company for the relevant fiscal year and the authority to determine payment of performance-linked remuneration (bonus) is to be entrusted to the President and Representative Director. The reasons for delegating such authority are such that the President and Representative Director is deemed the most suitable executive when it comes to evaluating business operations handled by each director while overseeing financial performance,



etc. of the Group overall in serving as a representative director of the Company. Quantitative allocation of non-monetary remuneration (long-term incentive remuneration) is to be resolved by the Board of Directors.

- (5) Reasons the Board of Directors deems that individual remuneration and other details associated with the relevant fiscal year align with policy for determining such remuneration

In determining remuneration and other details with respect to individual directors, the Nomination and Remuneration Advisory Committee has comprehensively examined the original proposal, including its consistency with the policy for determining such matters, and the Board of Directors has also deemed that it aligns with the policy for determining such matters in a manner that upholds details of such report.

## 2. Directors Who Are Audit and Supervisory Committee Members

- (1) Basic policy for determining remuneration, etc.

Basic policy enlisted when determining remuneration, etc., consists of the following.

- Remuneration should be sufficient to attract talent capable of performing duties that include auditing and supervising business execution.
- Remuneration should be sufficient to attract talent also capable of participating in managerial decision-making and assessment, and of monitoring and supervising appropriateness thereof.

- (2) Structure of remuneration, etc.

Fixed remuneration is generally to consist solely of “basic remuneration” from the perspective of ensuring suitability of duties performed by directors who are Audit and Supervisory Committee members.

- (3) Method of determining amounts of remuneration, etc.

Amounts of remuneration, etc. are to be resolved subsequent to discussion by the Audit and Supervisory Committee within the limits approved at the General Meeting of Shareholders.

## 3. Limits on Remuneration

Pursuant to resolution of the 14th Ordinary General Meeting of Shareholders held on June 29, 2017, the amount of remuneration, etc. for directors who are not Audit and Supervisory Committee members is to be no more than ¥400 million annually, and the amount of remuneration, etc. for directors who are Audit and Supervisory Committee members is to be no more than ¥80 million annually.

At the 17th Ordinary General Meeting of Shareholders held on June 26, 2020, the remuneration amount for the restricted stock compensation plan for the Company’s Directors was approved to be included as part of the aforementioned maximum remuneration amount, as a maximum amount of ¥100 million per year and a maximum number of shares of 40,000 shares per year.

### [Supporting System for Outside Directors]

When holding a meeting of the Board of Directors, the Company strives to provide information in a manner that involves distributing materials beforehand and offering preliminary explanations on necessary matters.

### [Status of Persons Who Have Retired From a Position Such as President and Representative Director]

Retired President and Representative Director etc. Holding Advisory or Any Other Position in the Company

Name	Title/Position	Responsibilities	Working Form and Conditions (Full-time/Part-time, Paid/Unpaid, etc.)	Date of Retirement From Position Such as President	Term of Office
Hajime Takashima	Advisor	Industry activities, etc. (not involved in management)	Part-time, Paid	2017/06/29	Subject to internal rules on maximum term of appointment

Total Number of Retired President and Representative Directors, etc. Holding Advisory or Any Other Position in the Company	1
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Other Matters
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## 2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

As of June 27, 2024, the Company's officers consist of five directors and five directors who are Audit and Supervisory Committee members, of which four are outside directors (the total of ten officers consists of nine men and one woman). All of the Company's outside officers have been registered as independent officers as stipulated by the Tokyo Stock Exchange.

In accordance with Article 427, paragraph (1) of the Companies Act and Article 32, paragraph (2) of the Company's Articles of Incorporation, the Company has entered into agreements with each of the directors who are Audit and Supervisory Committee members to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations.

In addition, the Company has entered into a directors and officers liability insurance (D&O Insurance) agreement with an insurance company as prescribed in Article 430-3, paragraph (1) of the Companies Act. The scope of insured persons under the aforementioned is directors of the Company and directors and Audit & Supervisory Board members of its subsidiaries, and the insured persons do not pay insurance premiums. The D&O insurance supplement the costs of liabilities (legal compensation and court costs) arising from execution of duties by the insured persons including directors of the Company. However, so that the appropriateness of the duties executed by insured person is not compromised, the insurance does not compensate for the damages, etc. resulting from intentional or illegal furnishing of personal benefit, or criminal acts, etc. by the insured person.

### (Board of Directors)

The Board of Directors consists of all the directors. It holds regular meetings and also convenes extraordinary meetings as necessary, pursuant to the Rules of the Board of Directors. It makes decisions regarding matters stipulated by laws and regulations as well as important matters related to management, and also supervises executives.

On a quarterly basis, the executive directors report to the Board of Directors regarding status of business execution based on decisions made by the Board of Directors. In addition, the Board of Directors efficiently manages business operations on the basis of specific business operations under the direction of each executive director.

The Board of Directors held ten meetings in FY2023.

### (Executive Committee)

The Executive Committee consists of directors who are not Audit and Supervisory Committee members, Associate Directors and a full-time Audit and Supervisory Committee member, and Executive Committee meetings are generally held once every month. Executive Committee deliberates and resolve important decision-making matters related to business execution. Each of the organization heads and others attend the Executive Committee meetings as observers as necessary to accurately understand details of decision-making.

### (Audit and Supervisory Committee)

The Audit and Supervisory Committee consists of five members, including four outside directors.

To ensure effectiveness of the Audit and Supervisory Committee's activities, the Company has established a system for periodically checking and providing feedback on the status of business execution whereby Audit and Supervisory Committee members mutually elect one full-time Audit and Supervisory Committee member who serves as a regular member in attending the Company's important meetings and committee meetings, such that include the Executive Committee meetings, Sustainability Committee meetings, and Risk and Compliance Committee meetings.

Additionally, the Group's directors and employees report to the Audit and Supervisory Committee regarding important matters that may affect the Company's business operations and financial performance pursuant to the

Rules of Audit and Supervisory Committee, and the Audit and Supervisory Committee ensures that the Group's directors and employees are able to request the aforementioned reports and any other necessary reports when the Audit and Supervisory Committee members deem it necessary.

Furthermore, the Audit and Supervisory Committee holds regular meetings on a separate basis in serving as a forum for providing direct feedback to the President particularly on issues related to business execution.

#### (Internal Audit)

The Company has established the Internal Audit Office and the Internal Control Office to serve as internal organizations within the Internal Control Auditing Department, staffed by 21 employees and four employees, respectively, as of June 27, 2024.

The Internal Audit Office formulates the internal audit policy and internal audit plans, and furthermore strives to minimize various business risks and contribute to the quality of the Company by conducting internal audits of Group companies to ensure that business is executed in a lawful and appropriate manner. The Internal Control Office formulates internal control policies related to financial reporting, and furthermore provides guidance on establishing internal controls at each company of the Group and evaluates the effectiveness thereof.

#### (Director Remuneration)

With respect to director remuneration, please refer to "Director Remuneration" and "Disclosure on Policy for Determining Remuneration Amounts and Calculation Methods" in "1. Organizational Composition and Operation" under "II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management" in this report.

#### (Nomination of Directors)

##### [Principle 3.1.(4)]

The function of the Company's Board of Directors is mainly that of evaluating the appropriateness of management strategies and risks associated with their execution, and appropriately managing and supervising the status of execution. Additionally, the role of the Audit and Supervisory Committee is that of auditing directors in execution of their duties and overall business from an objective standpoint independent of executives. Policy for the appointment and dismissal of directors, and nomination of candidates who are to take on such functions is as follows.

##### <Criteria for appointment>

When nominating directors who are not Audit and Supervisory Committee members, in order to further strengthen the governance system through division of the roles of supervision and execution, the Company has appointed a person in charge of supervising operations who is constantly engaged in the supervision and guidance of management of the entire Group as the person in charge of company operations, and a person in charge of overall strategy of the businesses managed across the supervisory business companies as the person in charge of business strategy. Considerations for appointment include the essential requirement that the candidate possesses outstanding humanity as well as insight into corporate management and legal affairs.

In nominating candidates for the position of (outside) director who is an Audit and Supervisory Committee member, the Company requires individuals who possess high levels of expertise and insight in at least one of the following areas: legal affairs, finance and accounting, taxation, or corporate management. They must be able to appropriately monitor, from an independent and objective standpoint, the compliance, etc. of management decisions and job execution of directors with laws and regulations and the Articles of Incorporation, enhance the transparency of the Board of Directors, and contribute to the enhancement of corporate value.

##### <Procedures>

Procedures for nominating director candidates initially entail formulating a nomination proposal following discussions among the Chairman and Director, President and Representative Director, and Director in charge of HR. Then, upon having received feedback from the Nomination and Remuneration Advisory Committee, whose membership includes outside directors, and having gained consent of the Audit and Supervisory Committee, the Board of Directors subsequently resolves to pass a proposal for inclusion of the nomination proposal on the agenda of the General Meeting of Shareholders, and then submits the nomination proposal as a proposal for the General Meeting of Shareholders.

##### <Criteria for dismissal>

A Director will be dismissed through prescribed procedures in the following circumstances.

- Acting in violation of public order and morals
- Inflicting substantial loss on the Group or causing significant damage to corporate value as a result of violating laws and regulations, or the Articles of Incorporation or regulations of the Group otherwise

(Accounting Audits)

The Company has appointed Gyosei & Co. to serve as the Accounting Auditor with respect to accounting audits carried out pursuant to the Companies Act and the Financial Instruments and Exchange Act, thereby ensuring that its accounting audits are performed in a fair and impartial manner to provide accurate business information. The names of the certified public accountants who carried out responsibilities of the accounting audit in the current fiscal year and assistants involved with audit work are as follows.

Names of CPAs

CPA: Takayuki Nakagawa

CPA: Akira Miyajima

CPA: Kazutoshi Masuda

Organization of assistants relating to the audit work

CPA 13

Others 11

### **3. Reasons for Adoption of Current Corporate Governance System**

The Company transitioned to a company with audit and supervisory committee by resolution at the 14th Ordinary General Meeting of Shareholders held on June 29, 2017. This transition has enhanced the supervisory function of the Board of Directors over executives and enabled prompt decision-making and flexible execution of operations by the executives. Through this, the Company aims to improve the soundness and transparency of management, achieve prompt decision-making and pursue further enhancement of corporate value.

The Company's Board of Directors consists of directors who are familiar with the Company's business and outside directors who monitor management from an independent standpoint to enhance management efficiency and to maintain and strengthen sound management by enhancing the audit function by the Audit and Supervisory Committee members.

In addition, important decisions regarding business execution are delegated to the directors as stipulated under the Articles of Incorporation and pursuant to resolutions of the Board of Directors. This results in a system that enables prompt decision-making and flexible business execution, and furthermore enables the Board of Directors to devote itself to supervising business execution.

The outside directors appropriately provide advice and suggestions from multiple perspectives enlisting their experience over many years in various industries including that in overseas business, abundant experience in corporate management, highly specialized knowledge and insight about finance, accounting and tax affairs as certified public accountants and certified public tax accountants, and highly specialized knowledge and insight regarding laws and regulations as attorneys at law. Furthermore, the outside directors carry out audits and supervision from an objective standpoint, while also helping further strengthen the Company's corporate governance.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Energize General Meeting of Shareholders and Facilitate Smooth Exercise of Voting Rights

	Supplementary Explanation
Early Notification of General Meeting of Shareholders	On June 5, 2024, the Company furnished its notice of the 21st Ordinary General Meeting of Shareholders to be held on June 27, 2024, thereby providing it seven days (five business days) prior to the statutory deadline.
Allowing Electronic or Magnetic Exercise of Voting Rights	In the interest of shareholder convenience, since the Ordinary General Meeting of Shareholders held on June 28, 2007, shareholders have been able to exercise their voting rights via the internet, using a personal computer or smartphone.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company began participating in the electronic voting platform for institutional investors operated by ICJ, Inc., effective from the Ordinary General Meeting of Shareholders held on June 28, 2007.
Providing Convocation Notice in English (Translated Fully or Partially)	The Company provides English-language disclosure to the Tokyo Stock Exchange and posts such information to the Company's website (English-language website).
Other	Upon holding its Ordinary General Meeting of Shareholders on June 27, 2024, the Company will disclose parts of its Business Report, as well as notes to its Consolidated Financial Statements and Non-Consolidated Financial Statements via the Company's website. The notice, reference documents, and business reports are disclosed to Tokyo Stock Exchange and posted to the Company's website six days (four business days) prior to the date on which it sends out the notice. The Company aims to carry out its General Meeting of Shareholders in a manner that is accessible to the shareholders, in part by presenting its business report in video format.

#### 2. IR Activities

	Supplementary Explanation	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company is committed to promoting an understanding of the Company among all stakeholders, including shareholders and investors, and earning suitable evaluation and trust from them. To that end, the Company strives to disclose information about the Company in a fair, timely and appropriate manner while taking a proactive stance toward conducting IR activities.	
Holding Regular Investor Briefings for Analysts and Institutional Investors	The Company holds investor briefings for analysts and institutional investors twice a year (interim financial results and fiscal year-end financial results).	Yes

	Supplementary Explanation	Explanation by Representative
Holding Regular Investor Briefings for Overseas Investors	The representative directors have been holding overseas IR investor briefings annually in North America and Europe since FY2013. The IR Department has also been holding overseas IR investor briefings annually in Asia since FY2014. Although the Company held the investor briefings for overseas investors remotely due to the COVID-19 pandemic in FY2020, FY2021, and FY2022, it resumed the on-site briefings in FY2023.	Yes
Posting IR Materials on Website	The Company posts various investor briefing materials, including monthly reports, financial results, annual securities reports, business reports, integrated reports, and financial results briefings.	
Establishment of Department and/or Manager in Charge of IR	IR Department	
Other	The Company holds business-specific investor briefings as necessary.	

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	In seeking to serve as a corporate group trusted by all of its stakeholders, the Company engages in sound business activities in having accordingly formulated Compliance Rules detailing standards to be upheld by its officers and employees in terms of laws and regulations as well as economic and social ethics.
Implementation of Environmental Activities, CSR Activities, etc.	The Group engages in business activities in a manner that is mindful of environmental conservation by promoting management conscious of its corporate social responsibility (CSR), underpinned by its aim of “creating a society of abundant connectivity from person to person and between people and society through telecommunication networks.” In addition, the Company issues an integrated report containing details on such activities on an annual basis, which it makes available via its Company’s website.
Formulation of Policies for Information Provision to Stakeholders	The Compliance Rules stipulate that the Company is to ensure appropriate and timely disclosure of corporate information to its shareholders as well as society as a whole, thereby facilitating greater understanding among all of its stakeholders in the course of instilling more extensive awareness of its corporate activities by actively engaging in public relations efforts.

## **IV. Matters Related to Internal Control System**

### **1. Basic Views on Internal Control System and Progress of System Development**

The Company has resolved basic policy on establishing internal control system at the Board of Directors meeting held on June 29, 2022. The content of the resolution is as follows:

1. System to ensure that the execution of duties by directors and employees of the Company and COMSYS Group complies with laws and regulations and the Articles of Incorporation
  - (1) The Company has established a Compliance Program shared throughout the entire COMSYS Group, and within the framework of the Program, the Compliance Action Guidelines has been established.
  - (2) The Company has established the Risk and Compliance Committee to oversee the COMSYS Group's overall risk management and compliance, and accordingly strives to enhance the compliance mindset across the entire COMSYS Group and develop its compliance structures.
  - (3) The Company has established internal reporting channels spanning the entire COMSYS Group, both internally and externally (law firm). It accordingly seeks to take a preemptive approach by assessing reports on potential legal and regulatory violations when alerted to such matters by employees and others of the COMSYS Group, and by establishing for ensuring that whistleblowers do not incur disadvantageous consequences pursuant to the Whistleblower Protection Act.
  - (4) The Internal Control Auditing Department ensures that business is executed in a lawful and appropriate manner by performing internal audits of the respective COMSYS Group companies.
  - (5) The Company and the COMSYS Group take a resolute stance against anti-social forces, which involves rejecting any and all association therewith.
2. System for the preservation and management of information relating to the execution of duties by directors  
The Company appropriately preserves and manages documented records, etc. related to the execution of duties by directors, in accordance with laws, regulations and internal regulations.
3. Rules for managing risks of loss of the Company and COMSYS Group and other systems
  - (1) The Company strengthens its risk management system in order to address risks that substantially affect its operations, including business risks surrounding its operations.
  - (2) The Company has formulated its Basic Policy on Risk Management in its Risk and Compliance Committee, which oversees risk management and compliance across the entire COMSYS Group and promotes risk management with respect to the COMSYS Group.
4. System ensuring the efficiency of execution of duties by directors of the Company and COMSYS Group
  - (1) The Company holds regular meetings of the Board of Directors as well as extraordinary meetings of the Board of Directors as necessary, thereby enabling it to make decisions regarding matters stipulated by laws and regulations as well as important matters related to management.
  - (2) The Company deliberates and reports on important aspects of business execution carried out by subsidiaries at the Company's Executive Committee and Board of Directors, pursuant to the COMSYS Group Company Operating Standards.
5. System ensuring the proper business operation of the Company and COMSYS Group
  - (1) The Company engages in business management of the supervisory business companies constituting the major subsidiaries of the COMSYS Group, pursuant to the Group Administration Standards. Meanwhile, the supervisory business companies manage business of subsidiaries that are directly owned by the supervisory business companies, and the Company engages in Group management by providing guidance and advice as necessary with respect to business management carried out by the supervisory business companies.
  - (2) Having established the COMSYS Group Action Guidelines under COMSYS Group's Management Philosophy, the Company engages in sound and suitable business management across the entire Group and furthermore rigorously prompts awareness of management policies and measures as appropriate with respect to each of the Group companies through the supervisory business companies. Meanwhile, the Company holds COMSYS Group President's Meetings as necessary in seeking to share information across the entire Group.

6. Matters Relating to Employees Assigned to Facilitate Duties of the Audit and Supervisory Committee and Matters Relating to Independence of Such Employees from Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The Company establishes an organization and appoints employees upon consultation with the Audit and Supervisory Committee members upon request for an employee assigned to facilitate duties of the Audit and Supervisory Committee.

Matters such as personnel evaluation and reassignment of such employees are carried out upon prior discussion with the Audit and Supervisory Committee members.

7. System for Directors and Employees to Report to the Audit and Supervisory Committee and Other Systems Associated with Reporting to Audit and Supervisory Committee Members

(1) Audit and Supervisory Committee members attend the Company's important meetings and committee meetings, including those of the Board of Directors and Compliance Committee, and are furnished with periodic reports containing important managerial information.

(2) Directors and employees of the Company and the COMSYS Group report important matters that affect the COMSYS Group's operations or financial performance to the Audit and Supervisory Committee members.

(3) Audit and Supervisory Committee members are able to request reports from directors and employees of the Company and the COMSYS Group at any time if deemed necessary by the Audit and Supervisory Committee members.

(4) The Company ensures that those who have reported matters to Audit and Supervisory Committee members do not become subject to unfair treatment as a result of having reported such matters.

8. System ensuring the effectiveness of auditing by Audit and Supervisory Committee

(1) Audit and Supervisory Committee members regularly hold meetings with the Company's President, thereby enabling them to exchange opinions or information particularly on issues of business execution.

(2) Audit and Supervisory Committee members closely cooperate with the Accounting Auditor and the Internal Control Auditing Department, thereby enabling them to facilitate smooth and effective implementation of audit plans formulated by the Audit and Supervisory Committee.

(3) Audit and Supervisory Committee members regularly hold meetings with auditors of the supervisory business companies to ensure effectiveness of Group audits.

(4) The Company promptly makes payment of expenses necessary for the Audit and Supervisory Committee members to execute their duties upon request.

## **2. Basic Views on Eliminating Anti-Social Forces and Status of Implementation**

The Group rejects any and all association with anti-social forces and organizations that jeopardize public order and safety, thereby fulfilling its corporate social responsibility. Meanwhile, the Company has established a system for taking a resolute stance when compelled to associate with anti-social forces and organizations by taking coordinated action in cooperation with attorneys at law, law enforcement, etc.



## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted
Supplementary Explanation	

### 2. Other Matters Concerning Corporate Governance System

The Group continuously strives to increase its corporate value in aiming to serve as a company with genuine capabilities that earn it trust and recognition among all of its stakeholders. To such ends, the Company has established in-house systems associated with timely disclosure of corporate information premised on its views regarding the importance of appropriately disclosing corporate information promptly, accurately, and impartially from the perspective of its shareholders, through the following initiatives.

#### Basic Policy on Timely Disclosure

The Company engages in timely disclosure of corporate information in a prompt, accurate, and impartial manner, thereby adhering to the Financial Instruments and Exchange Act as well as other relevant laws and regulations, upholding the timely disclosure rules stipulated by the Tokyo Stock Exchange, and remaining in alignment with the COMSYS Group Insider Trading Management Rule and the COMSYS Group Company Operating Standards.

#### The Company's System for Timely Disclosure

1. Underpinned by the aforementioned basic policy, the Company assesses the necessity of timely disclosure centered on the General Affairs Department, Corporate Planning Department, and Finance & Accounting Department, premised on the obligation it assumes for reporting information immediately after occurrence of decisions or events at its consolidated subsidiaries, respective departments, etc., with respect to internal information, etc. that may constitute "information related to determined facts, information related to occurring facts, and information related to account settlement." Furthermore, the Company reports information deemed as warranting timely disclosure to the manager in charge of handling information (General Manager of the General Affairs Department) in the form of materials, etc. prepared by each of the relevant departments. The Company subsequently discloses information warranting resolution of the Board of Directors after a decision has been made by the Board of Directors following deliberations in Executive Committee. The Company also subsequently reports information warranting immediate disclosure to its Executive Committee and Board of Directors after its disclosure.
2. The manager in charge of handling information (General Manager of the General Affairs Department) organizes and verifies material information, and checks such information to ensure that it lacks omissions, which entails cooperating with the respective departments responsible for internal information, including the General Affairs Department, Corporate Planning Department, and Finance & Accounting Department, participating in important managerial meetings and other such forums, receiving reports regarding material matters, and conducting interviews, etc.
3. In addition to making disclosures to the Tokyo Stock Exchange through TDnet, the Company strives to develop greater opportunities to ensure that disclosed information is readily accessible by increasing touchpoints with respective stakeholders enlisting various information platforms and approaches such as IR briefings, the Company's website, and various forms of printed matter.
4. In order to ensure continuous disclosure, the Company has established a system for enabling prompt reporting of suitable information enlisting the communications structure illustrated in "2. Timely Disclosure System" of the reference materials.

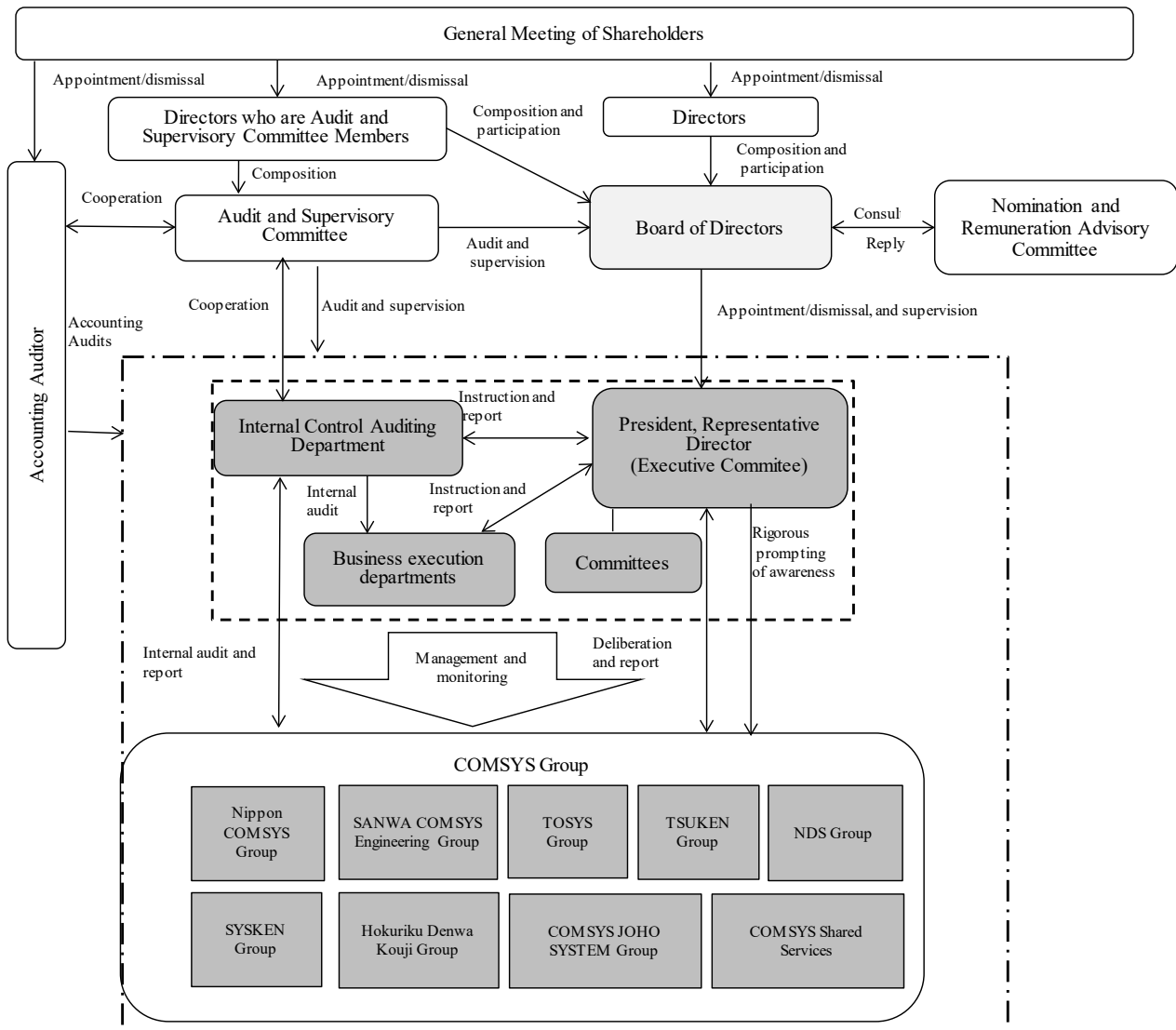
Skill Matrix of Each Director

Name		Business management	Equipment construction and operation/ Project management	New business development/ Business expansion promotion	DX promotion/ Technology development	Legal/Risk management	Human Resources/ Labor/ Diversity	Accounting /Finance	Sustainability	
Director (excluding Audit and Supervisory Committee Member)	Director	Takashi Kagaya	●	●	●	●		●	●	
		Hiroshi Tanabe	●	●	●	●		●	●	
		Hideyuki Noike	●	●	●	●				
		Kunihiko Uchide	●	●	●	●				
		Toru Mashimo	●		●		●		●	
Director (Audit and Supervisory Committee Member)	Outside Director	Atsushi Yasunaga	●				●	●		
		Kenichi Nakatogawa					●		●	
		Hiroyuki Asai	●	●	●			●	●	
		Kyoko Ichikawa					●	●	●	●
		Masaya Hirano					●	●		●

Note: Fields that are particularly expected of each director are listed.  
The above skill matrix does not represent all the knowledge and experience of each director.

## Reference Materials

### 1. Internal Control System



2. Timely Disclosure System

