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## Corporate Governance Report

CORPORATE GOVERNANCE

VISION INC.

**Last Update: May 29, 2024**

**Vision Inc.**

Kenichi Sano, Chairman and CEO

Contact: Management Division, IR Department

+81-3-5287-3110

Stock Code: 9416

[https://www.vision-net.co.jp/en/ir\\_information.html](https://www.vision-net.co.jp/en/ir_information.html)

The corporate governance of Vision Inc. (the “Company”) is described below.

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

#### 1. Basic Views

The Group always strives to improve ourselves, to realize our ideals, to take on the challenge of change without hesitation, and to always be grateful for the support of our many stakeholders as we conduct our business activities with a sense of humility in order to go above and beyond our customers’ expectations. We strive to comply with laws, regulations, internal rules, and policies, work with integrity, and build optimal corporate governance in accordance with this code of conduct.

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

##### **Principle 4-1-3 Roles and responsibilities of the Board of Directors (1) (Supervision of succession planning for the CEO and others)**

Although the Company has not established a specific succession plan for the CEO, the Nomination and Compensation Committee, a voluntary advisory committee to the Board of Directors, will consider the operation of the succession plan.

##### **Supplementary principle 4-3-3 Roles and responsibilities of the Board of Directors**

Since the term of office of the CEO is 1 year, the Company does not anticipate a situation in which the CEO is dismissed during his/her term of office. In the unlikely event that the CEO violates laws and regulations or the Articles of Incorporation, significantly damages the Company’s corporate value, or is otherwise objectively judged to be appropriate for dismissal, a resolution will be passed after consultation by the Nomination and Compensation Committee and thorough deliberation by the Board of Directors.

## Disclosure Based on the Principles of the Corporate Governance Code **Updated**

### **Principle 1-4 Cross-shareholdings**

Our basic policy is not to hold any strategic stock holdings in principle, except in cases where it is recognized that such holdings will contribute to medium to long term improvement in corporate value. In cases where listed stocks are held as strategic stockholdings, the Board of Directors will review all stocks on a quarterly basis and sell stocks of companies that the Board of Directors determines cannot be expected to increase corporate value over the medium to long term, taking into consideration factors such as stock price and market trends. With respect to the exercise of voting rights, we will make decisions on a case-by-case basis, taking into consideration whether the exercise of voting rights will contribute to the enhancement of our corporate value over the medium to long term.

We do not disclose the results of verifying the purpose of holding strategic stocks, as it is related to our business strategy and disclosure may damage the interests of the Company and its shareholders.

### **Principle 1-7 Related party transactions**

From the standpoint of sound corporate management, the Company recognizes that there is a high need for caution when entering into transactions with related parties, and therefore, we ask ourselves whether the transaction will not impair the soundness of the Group's management, whether the transaction is valid in light of our rational judgment, and whether the terms of the transaction are appropriate compared to other outside transactions. The Company pays particular attention to whether the approval of the Board of Directors is appropriate, such as by a resolution of the Board of Directors, in accordance with the Company's internal rules for approval and rules on administrative authority. In order to identify related party transactions, the Company requires all Directors and Officers to submit a list of related parties and a survey sheet regarding the existence of such transactions at the time of their appointment and at the end of the fiscal year.

### **Principle 2-4-1 Ensuring diversity**

We actively employ a diverse range of human resources regardless of educational background, work experience, gender, nationality, or disability. We believe that making the most of each employee's individuality will lead to the creation of diverse products and services and the growth of the Company. We are working to create a fulfilling work environment in which all people working for the Group can grow.

As of December 31, 2023, 92.5% of the Group's managers were mid-career hires, 9.2% were female managers, and 5.0% were non-Japanese. Our future goal is to increase the percentage of female managers to at least 12% by 2026. Although we have not set numerical targets for mid-career hires and non-Japanese employees, we intend to maintain the current level of mid-career hires and increase the number of non-Japanese employees. The policies regarding human resource development and internal environmental improvement are described in the Annual Securities Report "Item 2: Business Overview 2. Approach to Sustainability and Initiatives."

Our website (Diversity Promotion): <https://www.vision-net.co.jp/company/diversity.html>

### **Principle 2-6 Demonstration of functions as asset owner of corporate pension plan**

The Company does not have a corporate pension fund plan.

### **Principle 3-1 Full disclosure**

- (1) The Company discloses its management philosophy and management strategies on our website.
- (2) The Company discloses its basic philosophy and policies on corporate governance in this Corporate Governance Report "I. 1. Basic Views," etc.
- (3) The amount of remuneration for each Director is determined within the limit of remuneration approved by the General Meeting of Shareholders. After consultation with the Nomination and Compensation Committee, the Board of Directors determines the amount of remuneration based on the report of the Committee.
- (4) The Company's basic policy is that the Board of Directors shall be composed of the necessary and appropriate number of

members to ensure constructive discussions, while giving due consideration to the balance of each person's knowledge, experience, and abilities.

In determining candidates for Directors, the Board of Directors consults the Nomination and Compensation Committee and selects candidates based on its report. With respect to candidates for Audit and Supervisory Board Members proposed by Directors, the Board of Directors passes a resolution after deliberation and consent by the Board of Audit and Supervisory Board Members, of which more than half are Outside Audit and Supervisory Board Members, and submits the resolution to the General Meeting of Shareholders for deliberation and approval. In addition to the external qualification requirements of the Companies Act, Outside Directors are selected based on criteria that satisfy the qualifications for independent officers as stipulated by the Tokyo Stock Exchange and that are deemed not to pose a risk of conflict of interest with general shareholders.

Regarding the dismissal of Directors, the Board of Directors makes a comprehensive decision, taking into consideration the opinions of Outside Officers, when there is a violation of laws and regulations or the Articles of Incorporation, or when it becomes difficult for Directors to perform their duties.

(5) The reasons for the appointment of each candidate for Outside Director are disclosed in the reference documents of the Notice of the 23rd Ordinary General Meeting of Shareholders and this Corporate Governance Report.

### **Supplementary principle 3-1-3 Sustainability initiatives**

< Sustainability initiatives >

Our management philosophy is "To Contribute to the Global Information and Communications Revolution." Based on this philosophy, the Group regards sustainability initiatives as an important management issue and conducts management with an emphasis on sustainability.

Specifically, we will contribute to the universal philosophy of "sustainable growth" through our business, with the aim of contributing to the global environment and realizing a sustainable society and economic growth.

< Investment in human capital and intellectual property, etc. >

With regard to investment in human capital, the Group will make necessary investments, as increasing the number of personnel is indispensable for the Group to achieve sustainable growth in corporate value. More detailed information is provided in the Annual Securities Report "Item 2: Business Overview 2. Approach to Sustainability and Initiatives."

< Disclosure on climate change impacts >

Although the business characteristics of the Group make it relatively difficult to be affected by climate change-related risks and opportunities, we discuss climate change-related risks and opportunities at the Board of Directors and the Management Committee when discussing medium- and long-term management strategies. As a member of society, we are committed to reducing our environmental impact. Specifically, we are reducing paper consumption, thoroughly managing office air conditioning, and wearing more casual attire on an ongoing basis.

The Group will address sustainability initiatives, including the impact of climate change-related risks and profit opportunities on its own business activities, earnings, etc., based on the framework of the TCFD recommendations. More detailed information is provided in the Annual Securities Report.

We will continue our efforts to disclose more substantial information based on the TCFD framework.

### **Supplementary principle 4-1-1 Roles and responsibilities of the Board of Directors (1) (Scope of delegation to management)**

The Board of Directors makes decisions on the execution of business operations that are determined by law, the Articles of Incorporation, and the Rules of the Board of Directors as matters to be decided by the Board of Directors.

The Board of Directors approves investment projects that exceed a certain amount of money, key personnel matters, and other proposals that could have a significant impact on the Company's corporate governance and consolidated business results. Other proposals are approved by the Management Committee, which is the decision-making body at the business execution level.

**Principle 4-9 Criteria for judging the independence of Independent Outside Directors and their qualifications**

The Company selects its Directors with reference to the Companies Act and the standards established by the Tokyo Stock Exchange. In addition, the Company has selected individuals who can provide advice on all aspects of the Company's management based on their extensive experience and knowledge.

**Supplementary principle 4-10-1 Involvement and advice of Independent Outside Directors on nomination, remuneration, and other matters through the establishment of voluntary advisory committees**

The Company has established the Nomination and Compensation Committee as a voluntary advisory committee whose main members are Independent Outside Directors. The committee consists of at least 3 members, the majority of whom are Independent Outside Directors, and the members are appointed by the Board of Directors. The chairperson of the committee is selected by resolution of the Nomination and Compensation Committee from among the Independent Outside Directors. The Company strives to further strengthen corporate governance by ensuring rationality, objectivity, and transparency in the nomination of Director candidates and the determination of remuneration and other matters.

**Supplementary principle 4-11-1 Prerequisites for ensuring the effectiveness of the Board of Directors and Board of Audit and Supervisory Board Members (Approach to diversity of the Board of Directors, etc.)**

The Company's Board of Directors is composed of a diverse range of Directors with different backgrounds, including gender, expertise, and experience. In addition, half of the Company's Board of Directors consists of Outside Directors, who provide their opinions from an independent and objective standpoint at meetings of the Board of Directors, thereby ensuring the Company's management oversight system.

The skill matrix of the Company's Directors is stated in the Notice of the 23rd Ordinary General Meeting of Shareholders.

**Supplementary principle 4-11-2 Prerequisites for ensuring the effectiveness of the Board of Directors and Board of Audit and Supervisory Board Members (Concurrent positions of Directors and Audit and Supervisory Board Members)**

In the event that Outside Directors and Outside Audit and Supervisory Board Members concurrently serve as Directors or Audit and Supervisory Board Members of other companies, the Company will disclose the status of their concurrent positions in the Notice of the Ordinary General Meeting of Shareholders, to the extent that it is possible to secure the time necessary for them to fulfill their duties for the Company.

**Supplementary principle 4-11-3 Prerequisites for ensuring the effectiveness of the Board of Directors and Board of Audit and Supervisory Board Members (Analysis and evaluation related to the effectiveness of the Board of Directors)**

The Company's Board of Directors conducted a survey of all Directors and Audit and Supervisory Board Members in March 2024. The results of this survey confirmed that the Company's Board of Directors generally functions properly and that the effectiveness of the Board of Directors is ensured. We will continue to enhance the effectiveness of the Board of Directors and strive to further improve corporate value.

**Supplementary principle 4-14-2 Training for Directors and Audit and Supervisory Board Members (Training policy for Directors and Audit and Supervisory Board Members)**

Directors and Audit and Supervisory Board Members continuously acquire the knowledge necessary for their respective positions and businesses by participating in seminars, study groups, and social gatherings of their affiliated organizations at their own discretion, and the Company provides financial support as necessary.

**Principle 5-1 Policy for constructive dialogue with shareholders**

If shareholders or others want to have a dialogue with us, the Company will respond positively within a reasonable range, to contribute to the sustainable growth of the Company and the medium to long-term improvement in corporate value. As of now,

we hold financial results briefings 4 times a year, meetings with institutional investors domestic and foreign, briefing sessions for individual investors several times a year, and so on. The information on their results is properly shared through meetings of the Board of Directors, etc. In addition, we take thoroughgoing measures for preventing the leakage of insider information.

**Measures for realizing the management focused on capital cost and stock price (under consideration)**

The Company does not disclose policies and targets regarding “measures for realizing the management focused on capital cost and stock price,” but we recognize this as an important management issue.

As of the end of the fiscal year ended December 31, 2023, the Return on Equity (ROE) was approximately 23%, significantly exceeding the Cost of Equity (COE) of approximately 9%, and the Return on Invested Capital (ROIC) was approximately 21%, significantly exceeding the Weighted Average Cost of Capital (WACC) of approximately 8%.

We will continue to maintain sound business conditions and focus on improving capital efficiency (ROE, ROIC, etc.).

## 2. Capital Structure

Foreign Shareholding Ratio	More than 20% but less than 30%
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### Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
Custody Bank of Japan, Ltd. (Investment Trust)	8,035,200	16.62
The Master Trust Bank of Japan, Ltd. (Investment Trust)	5,902,300	12.21
Mizuho Trust and Banking Co., Ltd. Investment Trust (Kenichi Sano Account No. 0730078)	4,051,001	8.38
Kenichi Sano	2,611,900	5.40
INTERACTIVE BROKERS LLC (Standing Proxy Interactive Brokers Securities Japan Inc.)	2,413,800	4.99
Mizuho Trust and Banking Co., Ltd. Investment Trust (Kenichi Sano Account No. 0730079)	1,350,333	2.79
Mizuho Trust and Banking Co., Ltd. Investment Trust (Kenichi Sano Account No. 0730080)	1,350,333	2.79
Mizuho Trust and Banking Co., Ltd. Investment Trust (Kenichi Sano Account No. 0730081)	1,350,333	2.79
GOVERNMENT OF NORWAY (Standing Proxy Citibank, N.A., Tokyo Branch)	1,267,500	2.62
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd	1,153,868	2.39

Name of Controlling Shareholder, if applicable (excluding Parent Company)	_____
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Name of Parent Company, if applicable	None
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### Supplementary Explanation

1. The above list of major shareholders is based on the shareholders as of December 31, 2023.
2. The Company holds 2,171,711 shares of treasury stock but is excluded from the above list of major shareholders.
3. Shareholding ratio is calculated excluding treasury stock.

## 3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Prime Market
Fiscal Year-End	December
Business Sector	Information and Communication
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	More than 500 but less than 1,000
Net Sales (Consolidated) in 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	More than 10 but less than 50

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

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

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

1. Organizational Composition and Operation

Organizational Structure	Company with Audit and Supervisory Board
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Directors

Number of Directors Stipulated in Articles of Incorporation	8
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman (except when concurrently serving as President)
Number of Directors	7
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Shinichiro Naito	From another company											
Shiori Harada	From another company											
Michimasa Naka	From another company											
Shieri Mori	From another company											

\* Categories for "Relationship with the Company".

\* Use "○" when the Director presently falls or has recently fallen under the category; "△" when the Director fell under the category in the past.

\* Use "●" when a close relative of the Director presently falls or has recently fallen under the category; "▲" when a close relative of the Director fell under the category in the past.

- Person who executes business of listed companies or its subsidiary
- Person who executes business or a non-executive director of a parent company of listed companies
- Person who executes business of a fellow subsidiary of listed companies
- Person whose main business partner is a listed company or person who executes the business of the listed company
- Major business partner of listed companies or person who executes business for such business partner
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets other than officer's remuneration from listed companies
- Major shareholder of listed companies (in cases where the shareholder is a corporation, person who executes business of the corporation)
- Person who executes business of a business partner of listed companies (excluding persons categorized as any of d, e, or f)

above) (applies to self only)

- i. Person who executes business of the party with whom the outside officers have a relationship of mutual appointment (applies to self only)
- j. Person who executes business of the party to which the listed company has made a donation (applies to self only)
- k. Other

Outside Directors' Relationship with the Company (2)

Name	Independent Officer	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Shinichiro Naito	○	_____	Shinichiro Naito has a wealth of experience from web marketing, advanced knowledge from many years as a corporate manager, as well as a vast range of insight. We hope to make use of these experiences and knowledge to monitor management and contribute to the strengthening of corporate governance by receiving advice on the overall management of the Company. There is no special interest between the Company and him, and he has been designated as an independent officer as a neutral and impartial person.
Shiori Harada	○	_____	Shiori Harada has a wealth of experience in the inbound travel business, advanced knowledge from many years as a corporate manager, and a vast range of insight. We hope to make use of these experiences and knowledge to monitor management and contribute to the strengthening of corporate governance by receiving advice on the overall management of the Company. There is no special interest between the Company and her, and she has been designated as an independent officer as a neutral and impartial person.
Michimasa Naka	○	_____	Michimasa Naka has a wealth of experience in the financial industry and global business, advanced knowledge from many years as a corporate manager, and a vast range of insight. We hope to make use of these experiences and knowledge to monitor management and contribute to the strengthening of corporate governance by receiving advice on the overall management of the Company. There is no special interest between the Company and him, and he has been designated as an independent officer as a neutral and impartial person.
Shieri Mori	○	_____	Shieri Mori has a wealth of experience and deep insight as a lawyer. We hope to make use of the expertise to monitor management and contribute to the strengthening of corporate governance by receiving advice on the overall management of the Company. There is no special interest between the Company and her, and she has been designated as an independent officer as a neutral and impartial person.



Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Compensation Committee	Established
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Status of Establishment of Voluntary Committees, Composition of Committee Members, and Attributes of the Chairperson

	Title of the Committee	All Members	Full-time Members	Internal Directors	Outside Directors	Outside Experts	Others	Chairperson
Voluntary Committee equivalent to the Nomination Committee	Nomination and Compensation Committee	4	1	1	3	0	0	Outside Director
Voluntary Committee equivalent to the Compensation Committee	Nomination and Compensation Committee	4	1	1	3	0	0	Outside Director

Supplementary Explanation

Nomination and Compensation Committee is composed of 3 or more members who are Directors selected by a resolution of the Board of Directors, the majority of whom are Independent Outside Directors. The chairman of the Committee is determined by a resolution of the Committee from among the members who are Outside Directors. The Board of Directors was established on December 21, 2023 to ensure rationality, objectivity, and transparency in nominating and determining remuneration for Director candidates and to further strengthen corporate governance. Directors are appointed and dismissed, and remuneration is deliberated as needed, and reports are submitted to the Board of Directors.

**Audit and Supervisory Board Member**

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

Cooperation among Audit and Supervisory Board Members, Accounting Auditor, and Internal Audit Office

Audit and Supervisory Board Members, the Internal Audit Office, and the Accounting Auditor share the audit environment and problems specific to the Company by mutually sharing audit plans, explaining, and reporting on them, and conducting periodic interviews.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	3
Number of Independent Audit and Supervisory Board Members	3

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

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Kazuhiko Umehara	From another company													
Junichi Motai	Certified Public Accountant													
Jun Houzumi	Certified Public Accountant													

\* 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.

\* Use "●" when a close relative of the Director presently falls or has recently fallen under the category; "▲" when a close relative of the Director fell under the category in the past.

- Person who executes business of listed companies or its subsidiary
- Person who executes business or a non-executive director or accounting advisor of the listed company or its subsidiaries
- Person who executes business or a non-executive director of a parent company of listed companies
- Auditor of the parent company of listed companies
- Person who executes business of a fellow subsidiary of listed companies
- Person whose main business partner is a listed company or person who executes the business of the listed company
- Major business partner of listed companies or person who executes business for such business partner
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets other than officer's remuneration from listed companies
- Major shareholder of listed companies (in cases where the shareholder is a corporation, person who executes business of the corporation)
- Person who executes business of a business partner of listed companies (excluding persons categorized as any of f, g, or h above) (applies to self only)
- Person who executes business of the party with whom the outside officers have a relationship of mutual appointment (applies to self only)
- Person who executes business of the party to which the listed company has made a donation (applies to self only)
- Other

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

Name	Independent Officer	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Kazuhiko Umehara	○	_____	Kazuhiko Umehara has a wealth of experience and high level of insight at financial institutions, and is expected to provide objective and neutral auditing duties for the Company based on his experience as a corporate manager. There is no special interest between the Company and him, and he has been designated as an independent officer as a neutral and impartial person.
Junichi Motai	○	_____	Junichi Motai has appropriate knowledge of finance and accounting through his expertise and extensive experience as a certified public accountant, and is expected to perform objective and neutral auditing duties for the Company based on his experience as a corporate manager. There is no special interest between the Company and him, and he has been designated as an independent officer as a neutral and impartial person.
Jun Houzumi	○	_____	Jun Houzumi has appropriate knowledge of finance and accounting through his expertise and extensive experience as a certified public accountant, and is expected to perform objective

			and neutral auditing duties for the Company based on his experience as a corporate manager. There is no special interest between the Company and him, and he has been designated as an independent officer as a neutral and impartial person.
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## Independent Officers

Number of Independent Directors and Independent Audit and Supervisory Board Members

7

### Other Matters Concerning Independent Officers

The Company designates as Independent Officers all persons who meet the qualifications of Independent Officers.

## Incentives

Measures related to Incentives Granted to Directors

Introduction of Performance-linked Stock Compensation Plan,  
Introduction of Stock Options System

### Supplementary Explanation for Applicable Items

As incentives for improving business performance and increasing corporate value, the Company has introduced a stock benefit trust plan and paid stock options as medium- and long-term incentives, in addition to basic compensation.

At the 23rd Ordinary General Meeting of Shareholders held on March 28, 2024, the Company passed a resolution to introduce a performance-linked stock compensation plan, called "Board Benefit Trust-Restricted Stock (BBT-RS)." The purpose is to clarify the linkage between the remuneration of Directors (excluding Outside Directors) and the Company's business performance and stock value, and to raise awareness of the need for Directors to share not only the benefits of higher stock prices but also the risk of lower stock prices with shareholders, thereby contributing to medium- to long-term improvement of business performance and increase in corporate value.

Persons Eligible for Stock Options

Internal Directors, Employees, Subsidiaries' Directors, Subsidiaries' Employees, Others

### Supplementary Explanation for Applicable Items

The purpose of this system is to motivate and encourage Internal Directors and Employees to improve their performance. Others are former employees of the Company.

## Director Remuneration

Status of Disclosure of Individual Directors' Remuneration

No Disclosure for any Directors

### Supplementary Explanation for Applicable Items

Individual remuneration is not disclosed because there are no persons whose total amount of remuneration is 100 million yen or more. The total amount of remuneration for Directors is disclosed.

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

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The Board of Directors held on February 21, 2024 resolved and decided on the policy for determining remuneration for individual Directors. Our basic policy is to establish a remuneration system that is appropriate for the roles and responsibilities of Directors, motivates Directors to improve their performance and corporate value, and is linked to shareholder interests.

Basic remuneration is determined by resolution of the Board of Directors based on the deliberations and reports of the Nomination and Remuneration Committee, which is chaired by the Outside Director and comprises a majority of the Board of Directors.

Stock remuneration is determined in accordance with the number of points granted in accordance with the Share Benefit Regulations for Officers established by the Board of Directors. Revisions to the Share Benefit Regulations for Officers are determined by resolution of the Board of Directors, based on consultation and report to the Nomination and Compensation Committee.

### **Support System for Outside Directors and Outside Audit and Supervisory Board Members**

The Director in charge and the secretariat of the Board of Directors provide advance notice of agenda items and advance explanations as necessary prior to the Board of Directors' meetings. In addition, when Outside Directors and Outside Audit and Supervisory Board Members request information, the secretariat of the Board of Directors serves as a contact point and collects and reports necessary information.

## **2. Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance Structure)**

The Company's corporate governance structure is outlined below. Please refer to the attached for a diagram of these systems.

### **a. Board of Directors**

The Board of Directors consists of 7 Directors (including 4 Outside Directors), and in addition to the regular monthly meetings, extraordinary meetings of the Board of Directors are held flexibly as necessary to make decisions on important matters concerning overall management and to supervise the execution of operations.

### **b. Nomination and Compensation Committee**

The Nomination and Compensation Committee consists of at least 3 members who are Directors selected by a resolution of the Board of Directors, and the majority of these members shall be independent Outside Directors. In addition, the chairperson is to be selected from members who are Outside Directors by resolution of the Committee. It was established by resolution of the Board of Directors on December 21, 2023, for the purpose of further strengthening corporate governance by ensuring rationality, objectivity, and transparency in nominating candidates for Directors and determining their compensation. The Committee holds meetings as necessary to deliberate on the appointment and dismissal of Directors and their remuneration, and reports back to the Board of Directors.

### **c. Management Committee**

The Management Committee consists of Internal Directors, full-time Audit and Supervisory Board Members, executive officers, divisional managers and other executives, and meets at least once a month to discuss matters to be submitted to the Board of Directors, to confirm day-to-day business execution, and to make decisions promptly in order to improve the efficiency of management activities.

d. Board of Audit and Supervisory Board Members

The Board of Audit and Supervisory Board Members consists of 4 Audit and Supervisory Board Members (including 3 Outside Audit and Supervisory Board Members), and audits the daily activities of the Directors, including the execution of their duties, in order to enhance the effectiveness of corporate governance in accordance with the audit policy and plan.

e. Internal Audit Office

The Internal Audit Office consists of 2 members who verify, evaluate, and advise on whether the organization, systems, and operations of the Group are operating efficiently and in compliance with management policies, laws and regulations, and various rules. In this way, we strive to prevent violations of laws and regulations, fraud, and errors, provide accurate management information, protect assets, and improve business activities.

f. Accounting Auditor

The Company has a contract with KPMG AZSA LLC for the appropriate audits to be conducted.

g. Compliance Committee

The Compliance Committee has been set up as an organization to carry out efforts toward compliance, and is composed of the Representative Director, Director in charge of administration, full-time Audit and Supervisory Board Members, and other general managers, and is held twice a year on a regular basis. In addition, we will hold it as needed.

h. Risk Management Committee

The Risk Management Committee, chaired by the Representative Director and vice-chaired by the Director in charge of administration, is established to discuss risk prevention measures and to take measures to minimize damage in the event that a serious management risk materializes.

i. Policy for Determining the Amount of Remuneration, etc. for Officers

Details of the policy for determining the amount of remuneration, etc. for officers and the calculation method and the decision policy

The Board of Directors held on February 21, 2024 resolved and decided on the policy for determining remuneration for individual Directors. Our basic policy is to establish a remuneration system that is appropriate for the roles and responsibilities of Directors, motivates Directors to improve their performance and corporate value, and is linked to shareholder interests.

Basic remuneration is determined by resolution of the Board of Directors based on the deliberations and reports of the Nomination and Remuneration Committee, which is chaired by the Outside Director and comprises a majority of the Board of Directors.

Stock remuneration is determined in accordance with the number of points granted in accordance with the Share Benefit Regulations for Officers established by the Board of Directors. Revisions to the Share Benefit Regulations for Officers are determined by resolution of the Board of Directors, based on consultation and report to the Nomination and Compensation Committee.

### 3. Reasons for Adoption of Current Corporate Governance Structure

The Company has introduced an executive officer system to strengthen its management structure by separating the business execution function from the management decision-making function to increase the efficiency and speed of each, and has appointed Outside Directors to enhance the function of management supervision. In addition, in order to ensure the effectiveness of audits, Audit and Supervisory Board Members, the Internal Audit Office, and the Accounting Auditor actively exchange information through such means as holding regular reporting meetings in order to maintain close mutual cooperation, thereby enhancing the effectiveness and efficiency of audits. We believe that the fairness and transparency of management are sufficiently ensured by this current structure.

## III. Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company will make every effort to send out the Notice of the Ordinary General Meeting of Shareholders as early as possible so that shareholders will have sufficient time to consider the proposals necessary for exercising their voting rights.
Scheduling of the General Meeting of Shareholders during Non-peak Days	The Company's fiscal year ends on December 31 and the Ordinary General Meeting of Shareholders is held in March. Therefore, we recognize that we have been able to avoid the concentration date.
Electronic Exercise of Voting Rights	The Company allows shareholders to exercise their voting rights via the Internet.
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 participates in an electronic voting platform.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	An English version of the Notice of the Ordinary General Meeting of Shareholders is available on the Company's IR website as well as in Japanese.

## 2. IR-related Activities

	Supplementary Explanation	Explanation by a Representative Director
Formulation and Publication of Disclosure Policies	Our disclosure policy is posted on our IR website. Please refer to the following URL: <a href="https://www.vision-net.co.jp/ir/guide/policy.html">https://www.vision-net.co.jp/ir/guide/policy.html</a>	
Regular Investor Briefings held for Individual Investors	Company information sessions are held on a regular basis.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	Financial results briefings are held on the same day as the announcement of quarterly financial results to explain financial results and answer questions. In addition, small meetings and individual meetings are held regularly in person and online.	Held
Regular Investor Briefings held for Overseas Investors	The Company holds quarterly face-to-face and online meetings with overseas investors. In addition, we regularly visit major regions such as Europe, North America, and Asia to proactively create opportunities for dialogue, thereby explaining our management policies and business performance and working to deepen their understanding of the Company through question-and-answer sessions.	Held
Online Disclosure of IR Information	Through our IR website, the Company discloses Summary of Financial Statements, Financial Results Briefing Materials, Timely Disclosure Materials, Annual Securities Reports, Quarterly Securities Reports, Notice of the Ordinary General Meeting of Shareholders, and Corporate Governance Reports, etc. Japanese: <a href="https://www.vision-net.co.jp/ir/">https://www.vision-net.co.jp/ir/</a> English: <a href="https://www.vision-net.co.jp/en/ir_information">https://www.vision-net.co.jp/en/ir_information</a>	
Establishment of Department and Placement of a Manager in Charge of IR	The IR Department has been established as a dedicated department. The Director and CFO is in charge of Investor Relations, and a person in charge of Investor Relations is assigned to the Department.	

## 3. Measures to Ensure Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company has established and adhere to standards of conduct to respect the position of each stakeholder in accordance with compliance regulations.
Environmental Preservation Activities and CSR Activities, etc.	The Company is committed to sustainable growth for the sake of a sustainable global environment and society, and are engaged in many business activities with a commitment to our stakeholders. Our environmental preservation activities, CSR activities, and other initiatives are posted on our website. Please refer to the following URL: <a href="https://www.vision-net.co.jp/en/esg.html">https://www.vision-net.co.jp/en/esg.html</a>



The Company's basic policy is to provide all stakeholders, including shareholders and investors, with information on our management policies, business activities, and financial information in an easy-to-understand, fair, timely, and appropriate manner.

## IV. Internal Control System

### 1. Basic Views on Internal Control System and its Development

As a system to ensure the appropriateness of operations, the Company has established and resolved the "Basic Policy for Establishment of Internal Control System" at the Board of Directors' meeting. The outline is as follows.

- a. System to ensure that the execution of duties by Directors and employees complies with laws, regulations, and the Articles of Incorporation
  - (a) The Company has established the "Compliance Regulations" to ensure that the execution of duties by Directors and employees complies with laws, regulations, the Articles of Incorporation, and the Company's management philosophy as the highest priority in corporate management.
  - (b) To ensure that compliance activities are carried out thoroughly, the Compliance Committee, with the President as the officer in charge, shall be established to carry out company-wide efforts.
  - (c) The Company shall establish the Internal Audit Office, which shall conduct internal audits of the overall activities of the business execution divisions in accordance with the audit plan approved by the Representative Director and shall report the audit results to the Representative Director as well as to the Audit and Supervisory Board Members.
  - (d) The Company shall ensure that there is a means by which officers and employees can directly report violations or suspicious activities, etc. One such means is the Company shall establish and operate a compliance reporting and consultation service that allows officers and employees to directly report outside the Company. The Company shall ensure that the name of the informant is not disclosed without the consent of the informant (guarantee of anonymity) and that the informant is not disadvantaged.
  - (e) The Board of Directors recognizes that the preparation of appropriate financial reports is extremely important for the maintenance and improvement of social credibility, and to ensure the appropriateness of financial reports, the Board of Directors shall establish effective internal controls to prevent misstatements and errors from occurring in the process of preparing financial reports.
- b. System for the storage and management of information relating to the execution of duties by Directors
  - (a) In accordance with the Document Management Regulations, the person in charge of management shall preserve the documents (including electromagnetic records, the same shall apply hereinafter.) specified in each of the following items together with related materials.
    - (i) Minutes of the General Meeting of Shareholders and related materials
    - (ii) Minutes of Board of Directors' meetings and related materials
    - (iii) Minutes of Management Committee's meetings and related materials
    - (iv) Minutes and related materials of other important meetings held by Directors
    - (v) Other important documents relating to the execution of duties by Directors
  - (b) In addition to the above, documents relating to the Company's business operations shall be properly stored and managed in accordance with the "Document Management Regulations" and the "Document Storage Period Table."
  - (c) For electromagnetic records stored or managed by the Company, security shall be ensured in accordance with the "Information Security Regulations," the "Information Security Operation Regulations," and the "Information Security Management Regulations" to prevent damage to information and its leakage to external parties.
  - (d) Directors and Audit and Supervisory Board Members shall be able to directly inspect, copy or reproduce the information stored and managed by each business execution division at any time.

c. Regulations and other systems for managing the risk of loss

- (a) With respect to risk management, the Company shall establish “Risk Management Regulations,” designate the President as the chief risk management officer and establish a Risk Management Committee to implement risk management effectively and efficiently.
- (b) Policies for dealing with major management risks and other important matters from the viewpoint of risk management shall be fully deliberated at the Management Committee, and particularly important matters shall be reported to the Board of Directors.

d. System to ensure the efficient execution of duties by Directors

- (a) The Board of Directors shall, in principle, hold regular meetings once a month, and extraordinary meetings shall be held as necessary to ensure flexible decision-making.
- (b) The status of execution of duties by Directors shall be reported to the Board of Directors as appropriate.
- (c) Directors and employees shall exercise their authority in an appropriate and efficient manner in accordance with the “Regulations on Authority of Duties.”

e. System to ensure the appropriateness of operations of the Group consisting of the Company and its subsidiaries

- (a) With respect to the management of the affiliated companies, while respecting the autonomy of each company, the Company shall require compliance with the “Affiliated Company Management Regulations” established by the Company.
- (b) The Internal Audit Office shall conduct internal audits and monitor the proper execution of business by the affiliated companies as appropriate.

f. Matters relating to employees who are requested by Audit and Supervisory Board Members to assist them in their duties and matters relating to the independence of such employees from Directors

- (a) The appointment of employees to assist Audit and Supervisory Board Members in their duties, and the number of employees to be appointed, shall be decided upon consultation between Audit and Supervisory Board Members and the Board of Directors.
- (b) The employees set forth in the preceding paragraph, when assisting the duties of the Audit and Supervisory Board Members, shall not receive instructions or orders from the Directors.

g. System for reporting to Audit and Supervisory Board Members by Directors and employees and other systems for reporting to Audit and Supervisory Board Members

- (a) Directors and employees shall report on the status of execution of their duties and other matters as needed in response to requests from Audit and Supervisory Board Members.
- (b) The General Manager of the Accounting Department, etc. shall periodically make reports to the Audit and Supervisory Board Members in accordance with the nature of their duties.
- (c) In addition to attending meetings of the Board of Directors, the Audit and Supervisory Board Members appointed by the Board of Audit and Supervisory Board Members shall attend important meetings such as the Management Committee.

h. Other systems to ensure that Audit and Supervisory Board Members are conducted effectively

The Audit and Supervisory Board Members shall hold regular meetings of the Board of Audit and Supervisory Board Members once a month and extraordinary meetings as necessary to exchange information and discuss the status of audits, etc., as well as to receive reports on audits from the Internal Audit Office and the Accounting Auditor on a regular basis and exchange opinions.

i. Basic policy for eliminating transactions with antisocial forces and its development

- (a) The Company has established a compliance policy to have no relationship with antisocial forces and will take a resolute stance

in response.

- (b) In the event of a case of unreasonable demands by antisocial forces, the Legal Affairs Department will be the department that responds, in cooperation with the police and other relevant organizations.
- (c) When entering a contract related to business, the Company shall confirm that the business partner is not an antisocial force or an individual or corporation having a relationship with such a force.
- (d) When concluding contracts relating to business, both parties shall promise that they are not anti-social forces or individuals or corporations relating to anti-social forces, and if any violation is later discovered, the contract document should include “Provisions for Exclusion of Antisocial Forces,” such as the obligation to claim compensation for damages upon termination of the contract.

## 2. Basic Policy for Eliminating Transactions with Antisocial Forces and its Development

### a. Basic policy for eliminating transactions with antisocial forces

In our Compliance Regulations, the Company states that “compliance is our management policy and we will not have any relationship with antisocial forces.”

### b. Development for eliminating antisocial forces

#### (a) Development of internal regulations

Each relevant regulation stipulates that no transactions with antisocial forces are permitted.

#### (b) Methods of eliminating antisocial forces

Based on the “Guidelines for Investigation of Antisocial Forces,” the Company confirms that new business partners have no relationship with antisocial forces by searching for articles in newspapers and other media from the past. For continuing business partners, periodic checks are conducted at least once a year. In addition, the Company includes a clause for elimination of organized crime groups in the basic contract when transactions are initiated.

#### (c) Cooperation with outside specialized agencies and collection of information

The Company is using the “Violence Hotline,” a consultation service under the jurisdiction of the Tokyo Metropolitan Police Department and has joined the “Metropolitan Center for the Elimination of Antisocial Forces (a public interest incorporated foundation)” to collect information.

#### (d) Training activities

Regular internal study sessions are held by outside lecturers.

## V. Other

### 1. Adoption of Anti-takeover Measures

Adoption of Anti-takeover Measures	Not adopted
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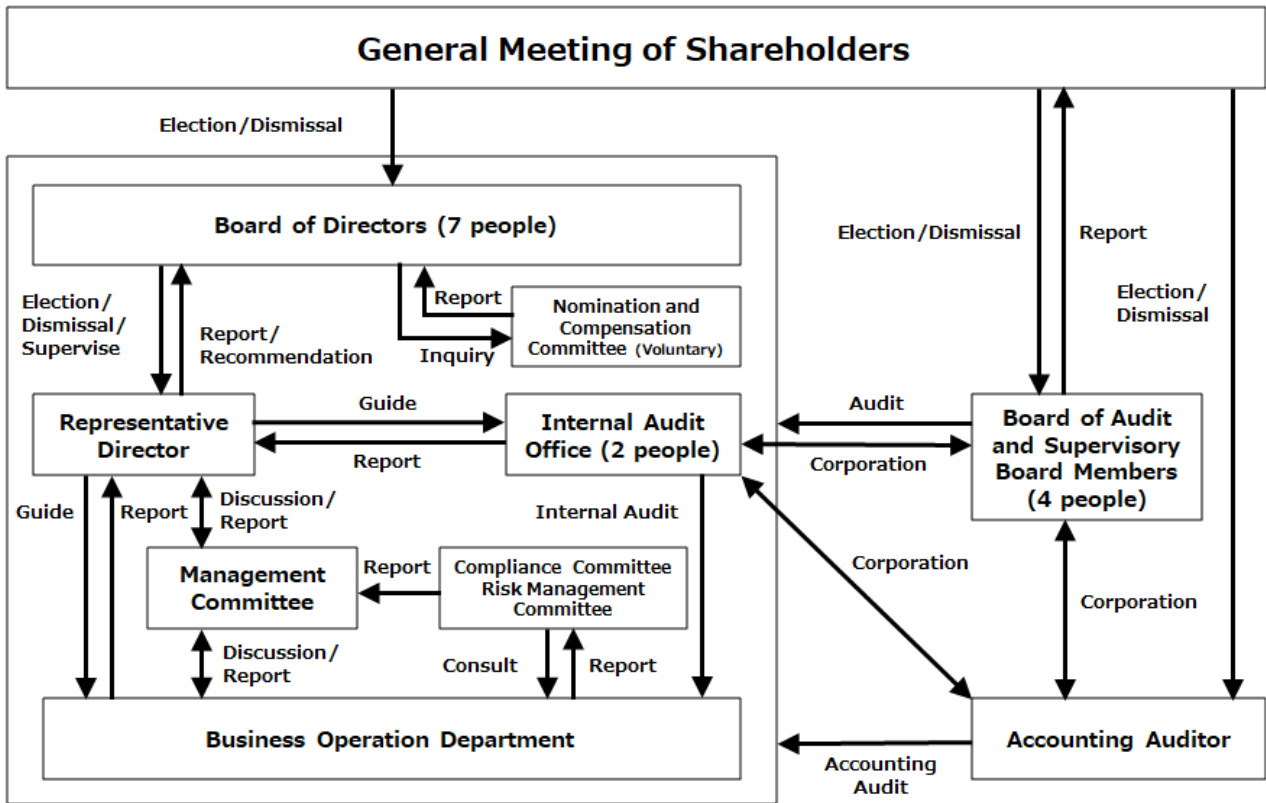
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#### Supplementary Explanation for Applicable Items

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The Company has no current plans to introduce anti-takeover measures, but this may become an issue requiring consideration in the future.

## 2. Corporate Governance Structure



Internal System for Timely Information Disclosure (Organizational Chart)

