

Corporate Governance Report

CORPORATE GOVERNANCE

XXXXX Co, Ltd.

Last Update: XXXXX, xx, 20xx

Legal Company Name

[Name], [Job Title (Representative Director, etc.)]

Contact:

Securities code:

<http://www.xxxxx.xx.xx/>

The company's corporate governance status as of the last update date. Please note, however, that matters related to capital structure and corporate attributes, as well as contents related to the Corporate Governance Code, may be updated in bulk once a year after the Annual General Meeting.

The corporate governance of [Company name] (the "Company") is described below.

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

1. Basic Views

Basic policy regarding the company's approach to corporate governance and its purpose of corporate governance is stated here.

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

If any of the principles of the Code is not being implemented, reason for non-compliance with the principle is stated here.

Disclosure Based on each Principle of the Corporate Governance Code

Information required by the Code to be disclosed is stated here. In some cases, such disclosure is not made here but the reason for non-compliance is explained in the preceding section. In principle, this section is not applicable to listed companies on the Growth Market,

2. Capital Structure

Foreign Shareholding Ratio	Less than 10% / 10% or more but less than 20% / 20% or more but less than 30% / 30% or more
----------------------------	---

The applicable item is selected based on the situation as of the end of the immediately preceding fiscal year in principle.

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)

The top 10 major shareholders are listed here based on the status as of the end of the immediately preceding fiscal year in principle.

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	Legal Company Name
Name of Parent Company, if applicable	Legal Company Name (Listed Stock Exchange: Tokyo / Nagoya / Sapporo / Fukuoka / Overseas)

If the company has a controlling shareholder (excluding the parent company), the name of the controlling shareholder is displayed. If the company does not have a controlling shareholder (excluding the parent company), "-" is displayed.

If the company has a parent company, the name of the parent company, whether the parent company is listed or not, the name of exchange(s) on which the parent company is listed, and its 4-digit securities code are displayed here. If the company does not have a parent company, the message "None" is displayed.

Supplementary Explanation

Supplementary explanation for the description of the capital structure is provided here.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market / Standard Market / G	Listed exchanges and market segments is selected from [Tokyo (Prime, Standard, Growth) / Nagoya (Premier, Main, Next) / Fukuoka (Existing Market, Q-Board) / Sapporo (Existing Market, Ambitious)].
Fiscal Year-End	January / February / March / April / / October / November / December	
Business Sector	Fishery, Agriculture & Forestry / Mining / Construction / Foods / Textiles & Apparels / Pulp & Paper / Chemicals / Pharmaceuticals / Oil & Coal Products / Rubber Products / Glass & Ceramics Products / Iron & Steel / Nonferrous Metals / Metal Products / Machinery / Electrical Appliances Transportation Equipment / Precision Instruments / Other Products Electric Power & Gas / Land Transportation / Marine Transportation / Air Transportation / Warehousing & Harbor Transportation Services Information & Communication / Wholesale Trade / Retail Trade / Banks Securities & Commodity Futures/ Insurance / Other Financing Business / Real Estate / Services	Business sector is selected from among the 33 medium industry categories (33 types) as determined by the Securities Code Council.
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	Fewer than 100 / 100 or more but fewer than 500 / 500 or more but fewer than 1,000 / 1,000 or more	
Net Sales (Consolidated) for the Previous Fiscal Year	Less than ¥10 billion / ¥10 billion or more but less than ¥100 billion / ¥100 billion or more but less than ¥1 trillion / ¥1 trillion or more	
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10 / 10 or more but fewer than 50 / 50 or more but fewer than 100 / 100 or more but fewer than 300 / 300 or more	

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

If the company has a controlling shareholder, the company's guideline regarding measures to protect minority shareholders when conducting transactions with the controlling shareholder or its related parties is stated here. Implementation status of the measures to protect minority shareholders as stipulated in the said guideline is to be disclosed once a year (within 3 months after the end of the fiscal year) via TDnet labelled as "Matters Concerning Controlling Shareholders, etc."

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

Other information such as the fact that the company has a parent company or a listed subsidiary, the company's approach/policy to corporate governance in light of the relevant relationship with the parent company/listed subsidiary is stated here in light of the individual circumstances of each company.

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

1. Organizational Composition and Operation

Corporate Governance System

Company with Supervisory Committee

The term '*Kansa-to i-inkai secchi gaisha*' in Japanese is translated into English as 'Company with Supervisory Committee.' However, it is worth noting that alternative translations may include 'Company Audit and Supervisory Committee.'

Directors

Number of Directors Stipulated in Articles of Incorporation

[Number] / No upper limit

The number of directors stipulated in the Articles of Incorporation (upper limit) is entered here. "No upper limit" means that the Articles of Incorporation do not specify an upper limit.

Directors' Term of Office Stipulated in Articles of Incorporation

[Number] year(s)

Chairperson of the Board

President / Chairperson (excluding those concurrently serving as President) / Representative Director other than Chairperson or President / Outside Director / Other Director / None

Number of Directors

[Number]

Election of Outside Directors

Elected / Not elected

Number of Outside Directors

[Number]

In a Company with Audit and Supervisory Committee, at least 2 outside directors are appointed since the majority of the Committee must be outside directors and the Committee must be composed of 3 or more directors.

Number of Independent Directors

[Number]

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k		
	From another company / Lawyer / CPA / Tax Accountant / Academic / Other													
	From another company / Lawyer / CPA / Tax Accountant / Academic / Other													

In respect of the attributes of the outside directors and their relationship with the company, an applicable item is selected.

*If it is clearly stated in the "*Other Matters Concerning Independent Directors*" section below that all outside directors (OD) who meet the qualifications for independent OD are designated as independent OD, the selection of item for those who do not meet the qualifications for independent OD is omitted.

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

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

"○" is entered if the outside director is a member of Audit and Supervisory Committee.

Anything to be supplemented regarding the above "Attributes" or "Relationship with the Company," is stated here focusing on the facts such as a brief history of the relevant outside director.

Outside Directors' Relationship with the Company (2)

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment

For each outside director, the reason for appointment is stated here. If the outside director is designated as an independent director, the reason why he/she is designated as an independent director is also stated.

"○" is entered if the outside director is designated as an independent director.

Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	[Number]	[Number]	[Number]	[Number]	Inside Director / Outside Director / None

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

Appointed / Not Appointed

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

If appointed, explanation on matters concerning independence of the directors and/or staff from executive officers is stated here. If not appointed, reasons for adopting the current system are stated.

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

The status of cooperation among Audit and Supervisory Committee, accounting auditors, and (if established) the internal audit department is stated here.

Voluntary Established Committee(s)

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

Established / Not Established

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

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee		[Number]	[Number]	[Number]	[Number]	[Number]	[Number]	Inside Director / Outside Director / Outside Expert / Other/ None
Voluntarily Established Committee Equivalent to Remuneration Committee		[Number]	[Number]	[Number]	[Number]	[Number]	[Number]	Inside Director / Outside Director / Outside Expert / Other/ None

If a voluntary committee equivalent to Nominating Committee or Remuneration Committee is established, the name of the committee, number of members, etc. are listed. This section is not shown if the company does not establish such voluntary committee.

Supplementary Explanation

Matters Concerning Independent Directors

Number of Independent Directors

The total number of outside directors who are designated as independent directors is entered.

Other Matters Concerning Independent Directors

If all outside directors (OD) who meet the qualifications for independent OD are designated as independent OD, to that effect is stated here.
In addition, the company's criteria for minor transactions or donations that are not likely to affect shareholders' voting decisions, and the company's planned future actions for securing independent OD in the case where no independent OD is appointed.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of Performance-linked Remuneration Scheme / Introduction of Stock Options Scheme / Other / None

Supplementary Explanation for Applicable Items

Persons Eligible for Stock Options

Inside Directors / Outside Directors / Employees / Parent Company's Directors / Parent Company's Executive Officers / Parent Company's Audit and Supervisory Board Members/ Parent Company's Employees / Subsidiaries' Directors / Subsidiaries' Executive Officers / Subsidiaries' Audit and Supervisory Board Members/ Subsidiaries' Employees / Other

Supplementary Explanation for Applicable Items

Director Remuneration

Status of Disclosure of Individual Director's Remuneration

Disclosure for All Directors / Disclosure for Selected Directors / No Disclosure for any Directors

Supplementary Explanation for Applicable Items

Policy on Determining Remuneration Amounts and
Calculation Methods

Established / Not Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

If the policy is established, details are stated here.

Support System for Outside Directors

An overview of the information communication system to Outside Directors is stated here.

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

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

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

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

Other Related Matters

If the status of a person who has retired from Representative Director and President, etc. is voluntarily disclosed, the name, position, title, and duties of the former Representative Director and President, etc. will be stated here. In the “*Other Related Matters*” column, Appointment status of advisors, counselors, etc. and Involvement of the board of directors and the Nomination/ Remuneration Committee upon the establishment, revision or abolition of internal rules concerning advisors and counselors, and upon the appointment of such advisors and counselors, and so on are stated. If the company does not disclose the status of a person who has retired from Representative Director and President, etc. this section is not shown.

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

Outline of the current structure regarding the Board of Directors and other governance mechanisms, including the methods of business execution, auditing, and supervision, is stated here in a concrete manner.

3. Reasons for Adoption of Current Corporate Governance System

Reason for adopting the current structure regarding the Board of Directors and other governance mechanisms, is stated here in a concrete manner.

In the case of a Company with Three Committee, the reason for adopting that system is stated.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	
Electronic Exercise of Voting Rights	
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	
Other	

The measures that have been adopted are listed here. If all items have not been implemented, the message "Not implemented" is shown.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies		
Regular Investor Briefings held for Individual Investors		Held / Not Held
Regular Investor Briefings held for Analysts and Institutional Investors		Held / Not Held
Regular Investor Briefings held for Overseas Investors		Held / Not Held
Online Disclosure of IR Information		
Establishment of Department and/or Placement of a Manager in Charge of IR		
Other		

The activities that have been adopted are listed here. If all items have not been implemented, the message "Not implemented" is shown.

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	
Implementation of Environmental Preservation Activities and CSR Activities, etc.	
Formulation of Policies, etc. on Provision of Information to Stakeholders	
Other	

The measures that have been adopted are listed here. If all items have not been implemented, the message "Not implemented" is shown.

IV. Matters Concerning the Internal Control System

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

The company's basic views on internal control system and how the management establishes a framework and environment for its internal control system is stated here.

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

The company's approach for preventing involvement of anti-social forces in management activities and preventing damage caused by such forces, and development status of its internal systems are stated here.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Adopted / Not Adopted
Supplementary Explanation for Applicable Items	

If the company has adopted anti-takeover measures, a brief description of the purpose of the adoption and an outline of the scheme is stated here.

2. Other Matters Concerning the Corporate Governance System

Future issues to be considered for enhancing corporate governance, measures under consideration, future goals, and related information are stated here.

Schematic Diagram of Corporate Governance Structure

A schematic diagram of the corporate governance structure, including an overview of the internal control system, is attached.
After the schematic diagram of the governance structure, a schematic diagram describing the outline of the timely disclosure system may be attached.

END