

Power of Equity
IR Japan



Measures to Strengthen the Information Management Framework and Conflict of Interest Management Framework, Status of Efforts to Enhance Corporate Governance

June 25, 2024
IR Japan Holdings, Ltd. (6035)



Strengthening the framework for information management, calculation and publication of earnings forecasts

- Continued to improve and strengthen the information management framework, including strengthening access authorization control. With regard to preventing insider trading, the Company has reviewed relevant regulations and conducted internal training to ensure awareness of it, and worked to instill a compliance mindset among all officers and employees and ensure that this is put into practice.
- Transitioned to a system in which the newly established Group Budget and Performance Review Meeting leads the Group's budgeting and performance management, and also the consideration on calculation and publication of earnings forecasts, as well as regularly held the Group Budget and Performance Review Meeting.

Strengthening the conflict of interest management framework

- In March 2023, the Company established the IR Japan Group Conflict of Interest Management Policy and Conflict of Interest Management Regulations, and began operating a conflict of interest management framework.
- To strengthen compliance, including conflict of interest management, the Company regularly held the Group Compliance Committee with the participation of outside experts. The internal audit division and full-time audit and supervisory committee members continued to monitor the status of operations in conflict of interest management.

Strengthening corporate governance

- The Company started a new executive structure from November 2022 in which Yuichiro Kitamura was appointed as Representative Director and President of IR Japan, Inc. The aim of this was to promote the decentralization of authority within the Group with a view to clarifying the division of roles among Group companies and securing independence at major subsidiaries.
- After the general meeting of shareholders in June 2024, the Board of Directors consists of six directors, including four highly independent outside directors (two of whom are full-time audit and supervisory committee members), and the Board continues to strengthen its supervisory and check-and-balance functions.



Status of Strengthening the Information Management Framework

Matters for improvement

Matters implemented

Future measures

Improving and strengthening information management framework

- Conducted thorough review of access authorization control
- Started to compile a database of access authorization change history
- Organized information to be shared at each meeting, such as the Board of Directors' meetings, sales meetings, and morning meetings
- Audited e-mail and server access logs by the Group Internal Audit Office

- Continue to conduct internal education and training on information management
- Continue auditing of e-mail and server access logs by the Group Internal Audit Office

Implementing thorough training and education to prevent insider trading

- Reviewed and thoroughly disseminated regulations to prevent insider trading
- Conduct regular training for all officers and employees, presented by guest lecturers, on insider trading regulations

- Continue to provide training for newly hired officers and employees
- Continue to conduct regular training on insider trading regulations, presented by guest lecturers

Enhancing internal reporting (whistleblowing) system

- Changed internal regulations regarding the internal reporting (whistleblowing) system
- Established a third-party reporting contact point (external law firm)
- Specified contact point for reporting on the groupware viewed by all officers and employees
- Conducted training to ensure awareness of the internal reporting (whistleblowing) system

- Continue to provide training to ensure awareness of the internal reporting (whistleblowing) system



Strengthening the Framework for Calculation and Publication of Earnings Forecasts

Matters for improvement

Calculation and publication of earnings forecasts

- Established the Group Budget and Performance Review Meeting chaired by the general manager of the Corporate Planning Department, who is responsible for the overall management of the Group's budget
- In principle, the Company does not disclose earnings forecasts at the beginning of the fiscal year, when it is difficult to make a highly reliable forecast regarding the number and scale of orders received

Review process for calculating and revising earnings forecasts

- Regularly manage the progress of actual performance and discusses whether or not to disclose or revise earnings forecasts by the Group Budget and Performance Review Meeting, and report on these matters to the Board of Directors
- Keep meeting materials and minutes to clarify the review process of the Group Budget and Performance Review Meeting

Consolidating necessary information for calculation of and consideration on revisions to earnings forecasts

- Positioned the heads of the business divisions of each Group company as the main members of the Group Budget and Performance Review Meeting to consolidate all necessary information for the review
- Set the scope and criteria for calculation of the Group's budget and earnings forecasts
- Clarified and disseminated the progress criteria for projects to be registered in the accounting system

Matters implemented

Future measures

- Continue to hold the Group Budget and Performance Review Meeting to consider calculation and publication of earnings forecasts

- Continue to hold the Group Budget and Performance Review Meeting and monitor the measures listed on the left

- Continue to hold the Group Budget and Performance Review Meeting and monitor the measures listed on the left



Strengthening the Conflict of Interest Management Framework

Matters for improvement

Matters implemented

Future measures

Developing the conflict of interest management framework

- In March 2023, established and began operation of the Conflict of Interest Management Regulations clearly stipulating the criteria and processes for making decisions regarding the IR Japan Group Conflict of Interest Management Policy
- Established the Conflict Committee to review and determine whether to accept or reject projects or to take measures to avoid conflict of interest (chaired by the director in charge of the Administration Department)
- Regularly hold the Group Compliance Committee with the participation of outside experts to strengthen compliance, including conflict of interest management
- Conducted training for officers and employees on the IR Japan Group Conflict of Interest Management Policy and Conflict of Interest Management Regulations

- Continue operation of the measures listed on the left, mainly through the Group Compliance Committee and the Conflict Committee
- Continue monitoring of the IR Japan Group Conflict of Interest Management Policy and Conflict of Interest Management Regulations by the internal audit division and full-time audit and supervisory committee members
- Implement annual education for officers and employees, including internal training, on managing conflict of interest

Categorizing transactions subject to conflict of interest management

- Categorized transactions subject to conflict of interest management (subject transactions) and made them subject to management as types that fall under subject transactions

- Continue operation of the measures listed on the left, mainly through the Group Compliance Committee and the Conflict Committee

Collecting information necessary to identify and manage the subject transactions

- Established a manual for registering client contact information of the Group and worked to ensure awareness among all officers and employees of the Group
- Revamped client management system that records client information at each company (managed each company's client information with appropriate information blocking measures)

- Continue operation of the measures listed on the left, mainly through the Group Compliance Committee and the Conflict Committee



Strengthening the Governance Framework

Matters for improvement

Matters implemented

Future measures

Promoting delegation of authority throughout the Group

- Started a new executive structure from November 2022 in which Yuichiro Kitamura was appointed as Representative Director and President of IR Japan, Inc. and Akinosuke Ishigaki was appointed as Director and Executive Vice President of IR Japan, Inc., with a view to clarifying the division of roles among Group companies and ensuring their independence

- Promote measures to strengthen governance framework and internal controls under the new executive structure

Strengthening the supervisory and check-and-balance functions of the Board of Directors

- Appointed additionally a full-time outside director (audit and supervisory committee member) with extensive knowledge of corporate governance and compliance at the annual general meeting of shareholders in June 2023
- Conducted the evaluation of the Board of Directors through third-party interviews
- Eliminated concurrent positions held by officers and employees of IR Japan, Inc. at Japan Originated Investment Bank, Inc., except for those in administrative divisions

- In the Board of Directors after the annual general meeting of shareholders, four out of six directors consist of highly independent outside directors (including two full-time audit and supervisory committee members), and the Board strengthens its supervisory and check-and-balance functions

Strengthening administrative and internal audit divisions

- Recruited and expanded human resources for administrative and internal audit divisions
- Strengthened the management and supervisory structure, securing a dual reporting line whereby the internal audit division reports directly to the Audit and Supervisory Committee
- Established the Group Risk Management Committee, the Sustainability Committee and the Compliance Office in June 2023

- Continue to secure human resources for administrative and internal audit divisions



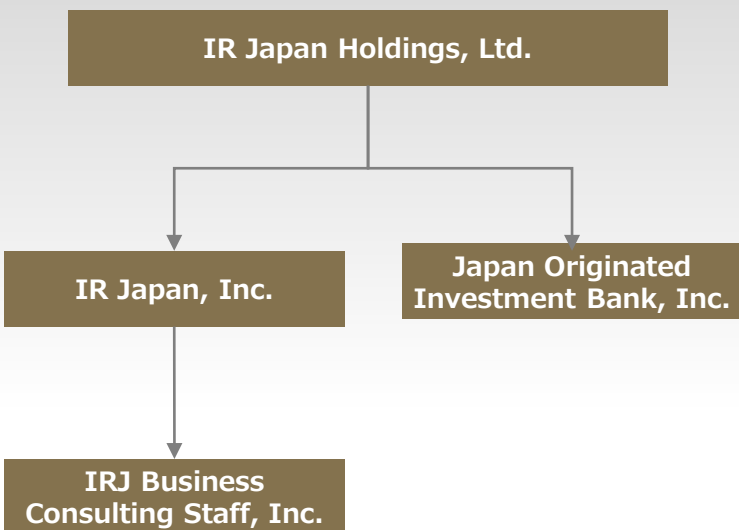
New Management Structure of the Group

The Company started a new executive structure from November 2022 in which Yuichiro Kitamura was appointed as Representative Director and President of IR Japan, Inc. and Akinosuke Ishigaki was appointed as Director and Executive Vice President of IR Japan, Inc.

After the general meeting of shareholders in June 2024, the Board of Directors consists of six directors, including four highly independent outside directors (two of whom are full-time audit and supervisory committee members), and the Board continues to strengthen its supervisory and check-and-balance functions.

Group structure

Management structure of the Group (as of June 18, 2024)



IR Japan Holdings, Ltd.

Representative Director, President and CEO*¹

Director

Outside Director/Full-Time Audit and Supervisory Committee Member*¹

Outside Director/Audit and Supervisory Committee Member*²

Outside Director/Audit and Supervisory Committee Member*¹

Outside Director/Full-Time Audit and Supervisory Committee Member*¹

*¹ Member of Nomination and Compensation Advisory Committee

*² Chairperson of Nomination and Compensation Advisory Committee

Shirou Terashita

Yutaka Fujiwara

Kazufumi Onishi

Nobuyoshi Yamori

Kimikazu Noumi

Akira Kimura

IR Japan, Inc.

Representative Director and President

Director and Executive Vice President

Director

Director/Audit and Supervisory Committee Member

Outside Director/Audit and Supervisory Committee Member

Outside Director/Audit and Supervisory Committee Member

Yuichiro Kitamura

Akinosuke Ishigaki

Yutaka Fujiwara

Kazufumi Onishi

Norihiro Takahashi

Yoshihisa Yamada

Japan Originated Investment Bank, Inc.

Representative Director and President

Director

Managing Executive Officer

Executive Officer

Director/Audit and Supervisory Committee Member

Outside Director/Audit and Supervisory Committee Member

Outside Director/Audit and Supervisory Committee Member

Shirou Terashita

Yutaka Fujiwara

Masakazu Azumi

Yuichi Isowa

Kazufumi Onishi

Norihiro Takahashi

Yoshihisa Yamada

IRJ Business Consulting Staff, Inc.

Representative Director and President

Director

Director

Corporate Auditor

Yukihiko Aoyama

Yutaka Fujiwara

Yukinori Wakana

Kazufumi Onishi

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