Corporate Governance Report

Please note that the following is an unofficial English translation of the Japanese original text of the Corporate Governance Report of ALSOK CO., LTD., which has been reported to the Tokyo Stock Exchange. ALSOK CO., LTD. Provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

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The corporate governance of ALSOK CO., LTD. (hereinafter "Company") is described below.

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

1. Basic Views

The Company determines "Based on two core principles exemplified by 'arigato no kokoro' (a feeling of gratefulness and gratitude) and 'bushi no seishin' (a samurai spirit), we devote ourselves to protecting the safety and security of our customers and of society as a whole" as a management philosophy and as to keep being a company trusted by every stakeholder, "contributing to society" is listed as one of the management policies, and will strive to fulfill the corporate governance by the separation of execution and supervision of the management, prompt decision making, establishment of corporate ethics, and transparency of management. Moreover, the Company emphasizes information disclosure and strives to affirmative internal and external IR activities such as financial results briefing for investors and analysts, IR meetings with corporate investor institutions, etc.

The Company conducts inspection and review of organizational structure in accordance with the principles of "Corporate Governance Code" Tokyo Stock Exchange formulated as an indicator of corporate governance.

The Company will continue to considerate measurements of the system and will aim to formulate an organizational structure which corporate governance function effectively.

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

The Company has implemented all of the principles set forth in the Corporate Governance Code.
This report has been prepared in accordance with the Corporate Governance Code (June 2021 edition).

[Disclosure Based on the Principles of the Corporate Governance Code]

【Principle 1.4 Cross-Shareholdings Policies】
(1) Policies concerning Cross-Shareholdings
When the Company is to hold shares of other listed companies as a means of cross-shareholdings, the Company comprehensively assesses the need for maintaining and expanding transactions, business alliances, and other business activities, and then reduces the number of stocks that are deemed ineffective to hold by selling them or reducing them through available means. The Company will verify the effectiveness of all cross-shareholdings against the cost of capital calculated by the Company and report the results to the Board of Directors on an annual basis.
(2) Standard of Voting Rights concerning Cross-Shareholdings
The voting rights of cross-shareholdings is exercised with the decision of whether it is a contributory matter or not for sustainable growth of each investment companies, and whether or not there is a possibility of damage of shareholder interests.

【Principle 1.7 Related-Party Transactions】
Transactions involving conflict of interests of officers and transactions between principal shareholders is resolved on submission at Board of Directors in advance based on the Board of Directors rules.

【Principle 2.4.1 Ensuring Diversity within the Company】
The Group has been actively and continuously recruiting people with diverse backgrounds regardless of gender, nationality, etc. At the same time, the Company has been working to create a work environment where each person can demonstrate their characteristics and abilities.
Going forward, the Company will continue to work to develop human resources that possess a multifaceted perspective and adaptability skills by enhancing training programs, implementing internal and external personnel exchanges, and dispatching employees to professional graduate schools, etc. The Company will also strive to provide systems and environments that enable all employees to advance in their careers and work in diverse ways with peace of mind.
<Details for the initiatives are posted on the Company's website>
Promotion of women's advancement (https://www.alsok.co.jp/company/society/special/w_perform.html)
ESG Data (https://www.alsok.co.jp/en/csr/esg.html)

【Principle 2.6 Function as an Owner of Corporate Assets】
The ALSOK Corporate Pension Fund manages the reserve fund of the Company's corporate pension plan.
The fund appoints a person with professional expertise and knowledge of pension fund management as executive director and adopts Asset Management Committee, Board of Representatives, Board of Administrative which consists the Company's officers with expertise of financial and personnel affairs. Through these systems, the health in operation fund is confirmed.
Furthermore, the fund entrusts the operation of reserve fund to multiple organizations, but all trustee organizations accept Japanese version of Stewardship Code. As for the operation trustee, besides the qualitative evaluation by the operating debrief sessions held quarterly, qualitative evaluation is conducted based on listening and the result is reported to Board of Representatives.
In addition, the fund has joined the Corporate Pension Funds Stewardship Initiative. It is conducting joint monitoring to promote stewardship activities by the management contractor and is efficiently and effectively monitoring its activities.

【Principle 3.1 Enhancement of Disclosure】
(1) Company objectives (business principle etc.), business strategies, business plans
The management philosophy and the medium-term management plan disclosed in May 2026 are posted on the Company's website.
Management Philosophy (https://www.alsok.co.jp/en/ir/management/philosophy.html)
Medium-term Management Plan (https://www.alsok.co.jp/en/ir/management/plan.html)
(2) Basic views and guideline on corporate governance
Please refer to "1. Basic Views" of this report.
(3) Board policies and procedures in determining the remuneration of the senior management and directors
The remuneration paid to directors consists with the flat amount determined by the appointment and outside director, other directors besides, and with the productivity-linked remuneration (fixed compensation notified

in advance) calculated by the performance feedback of each directors by certain standard. Among these, the productivity-linked remuneration accounts for 45% of total compensation, of which 30% is allocated to short-term incentives and 15% to medium- to long-term incentives.
From fiscal year 2026, in light of the fact that management is required to further promote the Company's sustainable growth and enhancement of corporate value, and to appropriately fulfill their roles and responsibilities, including improving profitability and capital efficiency, the Company has introduced remuneration in the form of acquisition of the Company's own shares. This is intended to foster greater value-sharing with stakeholders than ever before and to provide incentives for increasing corporate value.
The basic policy and method of determining the remuneration of the Company's directors (excluding outside directors) are determined by the Board of Directors after deliberation and reporting by the Nomination and Remuneration Committee, an optional committee with independent outside directors comprising the majority of members.
(4) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of directors and Audit & Supervisory Board members
Regardless of internal/external of the Company, the Company elects its management members and nominates director/auditor candidates from persons with thorough knowledge with company management as well as superior character, views, and performance. The final decision is made by the Board of Directors. The basic policy and decision procedure for appointment of the directors (excluding outside directors) is based on deliberation and report by the optional Nomination and Remuneration Committee with independent outside directors comprising the majority of members.
If the senior management is to be judged for not having able to display their abilities enough, dismissal is to be determined at the Board of Directors.
(5) Explanations with respect to the individual appointments/dismissals and nominations based on (4)
As for the reason of appointment/dismissal, nomination, career for each directors and Audit & Supervisory Board members, it is described in reference document of general meeting of shareholders.

【Principle 3.1.3 Disclosure of Sustainability Initiatives and Investments in Human Capital and Intellectual Property】
Sustainability initiatives and investments in human capital and intellectual property are described in the medium-term management plan and integrated report.
Medium-term management plan (https://www.alsok.co.jp/en/ir/management/plan.html)
Integrated report (https://www.alsok.co.jp/en/ir/library/annual.html)
In addition, we support the TCFD and have posted our efforts on our website.
TCFD (https://www.alsok.co.jp/company/society/tcfd/)

【Principle 4.1.1 Roles and Responsibilities of the Board of Directors】
The Board of Directors plays a role to determine important matters in accord with the Company Group's management and matters defined in law and articles of incorporation, and supervision of execution of duties of directors and officers. Matters to be reported and deliberate at the Board of Directors is determined in Board of Directors regulation. The execution of operation is entrusted to the management and at the Executive Committee, specific deliberation is conducted concerning execution of operation based on determination at Board of Directors with determination of matter to be discussed at Board of Directors.

【Principle 4.9 Independency Judgment Criteria and Qualifications of Independent Outside Directors】
About the appointment for independent outside directors, independency is judged by reference of independent standard Tokyo Stock Exchange set up. Independent outside director is appointed with appropriate personnel to advise appropriately about management policy and management improvement and conduct effective monitoring and supervision towards the management from experience and knowledge from former company.

【Principle 4.10.1 Nomination and Remuneration Committee, an Optional Advisory Body】
The Company established the Nomination and Remuneration Committee as an optional advisory body to the Board of Directors to ensure objectivity and transparency in the method of determining the nomination and remuneration of directors, and to further enhance the corporate governance system.
This Committee reviews the basic policy and decision procedure for appointment and remuneration of directors in response to inquiries of the Board of Directors, to which the Committee provide reports.
Although the Board of Directors is the decision-making body, the deliberations and decisions of the Board of Directors are normally based on the reporting by the Nomination and Remuneration Committee.

【Principle 4.11.1 Balance of the Board of Directors and Skill Matrix】
The Board of Directors is consisted by the company scale and scale based on swiftness of business judgement. The fixed number of directors in articles of incorporation is 12, which the Company appoints 9 directors including 4 outside directors. The fixed number of Audit & Supervisory Board members in articles of incorporation is 5, which the Company appoints 5 Audit & Supervisory Board members including 4 outside Audit & Supervisory Board members. Audit & Supervisory Board members attend the Board of Directors and deliver an opinion if necessary.
Regardless of internal/external of the Company, the director is appointed with a person having thorough knowledge with company management and with superior character, views and performance. The Board of Directors consists of directors from other companies and public institutions, besides directors with abundant experience in the company, which achieves the balance of knowledge, experience, ability and diversity.
The skill matrix is described in the notice of convocation of the General Meeting of Shareholders.
Notice of Convocation of General Meeting of Shareholders (https://www.alsok.co.jp/ir/stock/meeting.html)

【Principle 4.11.2 Disclosure of Concurrent Posts of Audit & Supervisory Board Members】
The biography and important concurrent post of each director and Audit & Supervisory Board members is described in Notice of Convocation of General Meeting of Shareholders and Securities Report and is judged that it is in range that number of concurrent post is rational.

【Principle 4.11.3 Board of Directors Effectiveness Assessment】
The outline of the analysis and evaluation concerning effectiveness of the Board of Directors are as follows.
(1) Method of analysis and evaluation
In February 2026, survey concerning effectiveness of Board of Directors and individual interviews were conducted as necessary with all directors and Audit & Supervisory Board members as a target. From the perspective of ensuring objectivity and transparency, in principle, the survey is answered to external organizations, and the aggregated results are reported by external organizations.
<Survey Items>
The main items of the survey conducted in February 2026 are as follows. The survey consisted of a 5-point grading system and free answer sections.
・Composition of the Board of Directors
・Management of the Board of Directors
・Monitoring function of the Board of Directors
・Support system for directors and Audit & Supervisory Board Members
・Training
・Dialogue with shareholders (investors)
・Communication
・General review
(2) Outline of the result
The result of the survey confirmed that effectiveness of the Board of Directors and is reported to Board of Directors in April 2026.
In accord with the opinions presented through the evaluation, the Company will strive to improve the effectiveness of the Board of Directors.

【Principle 4.14.2 Policy on Training for Audit & Supervisory Board Members】
The Company holds trainings for officers including independent outside directors, and in-house training with inviting instructors from various fields. Also, by encouraging to participate in outside trainings, while directors and Audit & Supervisory Board members acquiring knowledge necessary to officers of a company that addresses society's diverse safety and security needs, the basic policy is to ensure an opportunity to foster greater understanding of each of their roles and responsibilities.

【Principle 5.1 Policy on Constructive Dialogue with Shareholders】
The Company considers communication with shareholders and investors is important, and strives for affirmative information disclosure by explaining business management and business activities at General Meeting of Shareholders as well as financial results briefing held twice a year, and by holding individual meetings and interviews with analysts and institutional investors with the participation of the director in charge of General Affairs and Corporate Communications, etc.

In regard to IR activities, the Company has established the position of director in charge of General Affairs and Corporate Communications, a department dedicated to IR, and are striving to realize constructive and proactive dialogue in cooperation with related divisions. The director in charge of General Affairs and Corporate Communications and the IR Office compile reports on shareholders' opinions and other information obtained through dialogue with them and provide feedback to management and other relevant departments.
As for the management of insider information, the Company sets a silent period for a certain period before financial results briefing to restrict the dialogue with analysts and investors and to take preventive measure of insider trading to establish insider trading prevention regulation.

[Implementation status of dialogue with shareholders]
Implementation status of dialogue with shareholders held in Fiscal Year 2025 is disclosed in the Integrated Report.
Integrated Report (https://www.alsok.co.jp/en/ir/library/annual.html)

This report has been prepared in accordance with the Corporate Governance Code (June 2021 edition).

[Initiatives to Realize Management that Consider Capital Costs and Share Price]

Contents of description	Disclosure of initiatives (update)
Disclosure in English or not	Yes
Date of update	June 24, 2026

Description of applicable item

The ALSOK Group believes that expanding our Security Services and other operations, as well as improving the rationality and efficiency of all of our business activities, are essential tasks for increasing profitability. Accordingly, we focus on the ratio of ordinary income to consolidated sales as an important management indicator. We will also emphasize the ratio of net income to equity, otherwise known as return on equity (ROE), as an indicator of how optimally shareholders' equity is being utilized. Accordingly, we have set medium-term targets of achieving approximately 10% for both indices. Furthermore, with respect to the current status of the Group's capital cost, the Board of Directors has discussed the matter and shared the understanding.
When determining business investments, etc., the Company deliberates on whether returns that exceed the capital costs can be expected, as well as verifies the effectiveness of cross-shareholdings against capital costs. Regarding cash and deposits, since the demand for funds related to expenditures tends to remain stable throughout the year, we believe it is appropriate to maintain an amount equivalent to about one to two months of monthly sales.
In addition, in 2026, the Company announced a decision to acquire treasury stocks as part of its flexible capital strategies in response to changes in the business environment and as a means of returning value to shareholders. We will continue to consider measures to improve the capital efficiency while monitoring the reduction of cross-shareholdings of major companies.
In realizing management that consider capital costs and share price, we will continue to offer thorough explanation to the shareholders, investors, and other stakeholders to gain their understanding.

Reference
The Company has set the following financial goals for Fiscal Year 2029 in the Medium-Term Management Plan.
• Consolidated net sales: 680–750 billion yen
• Consolidated ordinary income: 68–75 billion yen
• Consolidated ordinary income ratio: Approx. 10%
• ROE: Approx. 10%

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
Japan Master Trust Bank, Ltd. (Trust account)	55,329,000	11.38
SOHGO CORPORATION	36,943,400	7.60
Saitama Kiki Co., Ltd.	26,419,900	5.43
Kizuna Corporation	26,150,000	5.37
Custody Bank of Japan, Ltd. (Trust account)	25,713,200	5.28
ALSOK Employees Shareholding Association	17,235,803	3.54
Custody Bank of Japan, Ltd. (as trustee for Mizuho Bank Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.)	14,807,000	3.04
Atsushi Murai	14,804,865	3.04
SMBC Trust Bank Ltd. (as trustee for retirement benefit of Sumitomo Mitsui Banking Corporation)	13,678,000	2.81
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	10,794,989	2.22

Controlling Shareholder (except for Parent Company)	None
Parent Company	None

Supplementary Explanation

None

3. Corporate Attributes

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

None

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

In order to respond to the growing needs for safety and security in a society with diversified risks, the Company is promoting the expansion of its security services business model, and is actively working on businesses that have the potential for synergies with our security services, such as Facility Management (FM) and Long-Term Care Services. As part of these efforts, the Company has formed a capital and business alliance with a fire protection manufacturer in Facility Management (FM) and a welfare-related company in Long-Term Care Services, making them affiliates. Together with these affiliates, the Company aims to expand synergies by strengthening business promotion through joint development and collaboration of new products and services to meet diverse needs. We believe that building such partnerships with listed companies that have creditworthiness and excellent human resources is an effective way to increase the corporate value of each company.

While we will continue to aim for growth throughout the Group, from the perspective of protecting minority shareholders and ensuring independence, the involvement in the management of each company is kept to a minimum, including the dispatch of directors.

(1) HOCHIKI CORPORATION

HOCHIKI CORPORATION is a listed affiliate of the Company. Since 2004, we have maintained a comprehensive business alliance, and in 2012 the company became an equity-method affiliate. The company possesses advanced technological capabilities and a solid track record in the field of disaster prevention systems including fire alarm equipment, and also sells security-related devices. Between the company and our Group, we have established a system of mutual support by leveraging the management resources of both parties. We enhance market competitiveness by leveraging collaboration between the two companies, such as providing one-stop services spanning from the installation of the company's equipment, monitoring by our company, and repairs or renewals by the company in the event of failures or issues, to offer advanced safety and security services. In addition to disaster prevention business, we are also collaborating in Security Services to expand business opportunities and enhance corporate value for both companies.

(2) Nippon Dry-Chemical Co., Ltd.

Nippon Dry-Chemical Co., Ltd. is a listed affiliate of the Company. The Company formed a capital and business alliance with Nippon Dry-Chemical Co., Ltd. in 2016 and made it an equity-method affiliate. As a comprehensive disaster prevention company, Nippon Dry-Chemical Co., Ltd. is engaged in a wide range of businesses in the fields of fire extinguishing and disaster prevention, and is developing businesses with a particular focus on fire extinguishing. Through this business alliance, we believe that each company will be able to bring together management resources in respective areas of expertise and develop new products and services related to crime and disaster prevention to provide high value-added services. However, to respond accurately to recent changes in the business environment of the disaster prevention industry and to capture demand, we have determined it is necessary not only to further promote collaboration but also to strengthen our capital relationship with the company. Accordingly, to build a strategic partnership with the company, we are conducting a tender offer through TCG2511 Co., Ltd., in which we have a 50% investment (from May 14 to June 29, 2026). Depending on the results of this tender offer, its shares may be delisted in accordance with the delisting criteria of the Tokyo Stock Exchange.

(3) Nippon Care Supply Co., Ltd.

Nippon Care Supply Co., Ltd. is a listed affiliate of the Company. The Company formed a capital and business alliance with Nippon Care Supply Co., Ltd. together with Mitsubishi Corporation (three-way alliance) in 2020 and made it an equity-method affiliate. Since the number of Long-Term Care Services is increasing year by year as the population ages, the caregiver shortage issue is becoming more serious. By bringing together the knowledge, know-how and networks of each of the three companies in this alliance, we will provide systems that enable the elderly to live their daily lives safely, securely, and conveniently, and believe that we can contribute to solving social issues.

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

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board

[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	President
Number of Directors	9
Appointment of External Directors	Appointed
Number of Outside Directors	4
Number of Independent 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
Toshie Ikenaga	From another company								○			
Hiroyuki Morita	From another company								○			
Risa Tanaka	From another company											
Tadashi Handa	From another company								△			

* 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;
"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/Audit & Supervisory Board member
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which Company's outside directors/Audit & Supervisory Board members are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Toshie Ikenaga	○	There are transactions for the provision of security services between the Company and the following entities: Shiga Prefecture, where Ms. Toshie Ikenaga, an Outside Director designated as an independent director, served as Vice Governor until July 2018; the Cabinet Office, where she served as Director-General of the Gender Equality Bureau until August 2020; and the National Hospital Organization, where she currently serves as a Director, the disclosure of a summary of these transactions is omitted because they are judged to have no impact on the judgment of shareholders and investors in view of their scale and nature.	<Reason for appointment as an outside director> Ms. Ikenaga possesses abundant experience in public administration in areas including gender equity and local administration over many years and also served as a graduate school professor with advanced insight and ability. As such, the Company believes she will contribute to the improvement and strengthening of the Group's corporate governance and further enhancement of the Group's corporate value by providing valuable opinions from a broad and high-level perspective to the management team. Therefore the Company has elected her as an Outside Director. <Reason for designation as an independent director> Ms. Ikenaga is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to her. ALSOK judged that there is no potential conflict of interest between Ms. Ikenaga and ordinary shareholders, and designated her as an independent director based on her abundant experience in public administration in areas including gender equity and local administration over many years and also served as a graduate school professor with advanced insight and ability.
Hiroyuki Morita	○	Although the Company and NS Solutions Corporation, for which Mr. Hiroyuki Morita, the Outside Director designated as an independent director served as an	<Reason for appointment as an outside director> Mr. Morita possesses a wealth of experience, insight, and ability that he has cultivated over many

		Advisor until June 2025, have transactions for General Property Management and Fire Protection Services, the disclosure of a summary of these transactions is omitted because they are judged to have no impact on the judgment of shareholders and investors in view of their scale and nature.	years as a manager at a major system integrator. He is expected to contribute to the improvement and strengthening of the Group's corporate governance and further enhancement of corporate value by providing valuable opinions from a broad and high-level perspective to the management team. Therefore the Company has elected him as an Outside Director. <Reason for designation as an independent director> Mr. Morita is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to him. ALSOK judged that there is no potential conflict of interest between Mr. Morita and ordinary shareholders, and designated him as an independent director based on his wealth of experience, insight, and ability that he has cultivated over many years as a manager at a major system integrator.
Risa Tanaka	○	Although the Company has transactions for the provision of security services with the following entities: Japan Post Co., Ltd. (where Ms. Risa Tanaka, an Outside Director designated as an independent director, previously served as Outside Director until June 2022), IMURAYA GROUP CO., LTD. and KOITO MANUFACTURING CO., LTD. (where she currently serves as Outside Director), and Metropolitan Expressway Co., Ltd. (where she currently serves as Outside Audit & Supervisory Board Member), the disclosure of a summary of these transactions is omitted because they are judged to have no impact on the judgment of shareholders and investors in view of their scale and nature.	<Reason for appointment as an outside director> Ms. Tanaka possesses abundant experience developed through serving in important positions in publishing and education businesses over many years. She has also served as President of Graduate School for working professionals at an incorporated educational institution approved by the Minister of Education, Culture, Sports, Science and Technology, proving her advanced insight and ability. She is expected to contribute to the improvement and strengthening of the Group's corporate governance and further enhancement of corporate value by providing valuable opinions from a broad and high-level perspective to the

			management team. Therefore the Company has elected her again as an Outside Director. <Reason for designation as an independent director> Ms. Tanaka is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to her. ALSOK judged that there is no potential conflict of interest between Ms. Tanaka and ordinary shareholders, and designated her as an independent director based on her abundant experience developed through serving in important positions in publishing and education businesses over many years. She has also served as President of Graduate School for working professionals at an incorporated educational institution approved by the Minister of Education, Culture, Sports, Science and Technology, proving her advanced insight and ability.
Tadashi Handa	○	Although the Company and Tokio Marine Holdings, Inc., for which Mr. Tadashi Handa, the Outside Director designated as an independent director, served as Executive Director until June 2021, and Tokio Marine & Nichido Fire Insurance Co., Ltd., for which he served as Executive Director until March 2022, have transactions for the provision of security services, the disclosure of a summary of these transactions is omitted because they are judged to have no impact on the judgment of shareholders and investors in view of their scale and nature. Tokio Marine & Nichido Fire Insurance Co., Ltd., where he has served as Full-time Audit & Supervisory Board Member since June 2022 (scheduled to retire in June 2026), on December 26, 2023, received a business improvement	<Reason for appointment as an outside director> Mr. Handa possesses abundant experience and insight, and advanced ability, developed as management at a major non-life insurance company. As such, the Company believes he will contribute to the improvement and strengthening of the Group's corporate governance and to the further enhancement of the Group's corporate value by providing valuable opinions from a broad and high-level perspective to the management team. Therefore the Company has elected him as an Outside Director. <Reason for designation as an independent director>

		order under the Insurance Business Act from the Financial Services Agency regarding acts such as adjustment of insurance premiums on non-life insurance contracts for specific corporations and other acts deemed to constitute a violation of the Antimonopoly Act and inappropriate acts from the perspective of the Act as well as systemic issues underlying such acts. Furthermore, on October 31, 2024, it was subject to a cease and desist order and a surcharge payment order by the Japan Fair Trade Commission due to violations of the Antimonopoly Act. Furthermore, on March 24, 2025, the company received a business improvement order under the Insurance Business Act from the Financial Services Agency due to acts deemed as potentially violating the Act on the Protection of Personal Information and inappropriate acts from the perspective of the Act, as well as acts deemed as potentially violating the Unfair Competition Prevention Act and inappropriate acts from the perspective of the Act, and systemic issues underlying such acts. Although he was not aware of any of these incidents in advance, he has regularly made proposals from the perspectives of strengthening governance and legal compliance at meetings such as the Board of Directors and the Audit & Supervisory Board. After these facts became known, he has fulfilled his responsibilities by taking measures to prevent recurrence and expressing his opinions on strengthening the internal control system.	Mr. Handa is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to him. ALSOK judged that there is no potential conflict of interest between Mr. Handa and ordinary shareholders, and designated him as an independent director based on his abundant experience and insight, and advanced ability, developed as management at a major non-life insurance company.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Current status of Voluntary Committee, Committee Member composition, attribute of Chairman (Chair)

updated

	Name of Committee	Total Number of Committee Members (persons)	Full-time Committee Members (persons)	Internal Directors (persons)	Outside Directors (persons)	Outside Experts (persons)	Other (persons)	Chairman (Chair)
Voluntary Committee Equivalent to a Nomination Committee	Nomination and Remuneration Committee	6	0	2	4	0	0	Internal Directors (persons)
Voluntary Committee Equivalent to a Remuneration Committee	Nomination and Remuneration Committee	6	0	2	4	0	0	Internal Directors (persons)

Supplementary Explanation

None

[Audit & Supervisory Board members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board members	5

Cooperation among Audit & Supervisory Board members, Accounting Auditors and Internal Audit Departments

The Audit Department, Audit & Supervisory Board members, and audit corporation hold the “Internal audits, audits by Audit & Supervisory Board members and accounting audits business liaison meeting” once a month. By sharing audit information and exchanging opinions conducted by each person, internal audits, corporate auditors’ audits, and accounting audits are mutually coordinated.
Furthermore, Audit & Supervisory Board members strive to coordinate audits by Audit & Supervisory Board members and accounting audits by regularly exchanging information on the content of the proceedings of the Audit & Supervisory Board members and the Board of Directors and issues that they are aware of.

Appointment of Outside Audit & Supervisory Board members	Appointed
Number of Outside Audit & Supervisory Board members	4
Number of Independent Audit & Supervisory Board members	4

Outside Audit & Supervisory Board members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Shinichiro Nakano	From another company										△			
Yoshifumi Otsuka	From another company										△			
Toshie Tanaka	From another company										△			
Shigetoshi Ikeyama	From another company										△			

* 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;
"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. Audit & Supervisory Board member of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board member
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of the items f, g, or h) (the Audit & Supervisory Board member himself/herself only)
k. Executive of a company, between which and the Company outside directors/Audit & Supervisory Board members are mutually appointed (the Audit & Supervisory Board member himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board member himself/herself only)
m. Others

Outside Audit & Supervisory Board members' Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board members	Supplementary Explanation of the Relationship	Reasons of Appointment
Shinichiro Nakano	○	Although there are transactions for the provision of security services between the Company and the Norinchukin Bank, where Mr. Shinichiro Nakano, the Outside Director designated as an independent director, served as Managing Director until March 2019, and the Norinchukin Trust & Banking Co., Ltd., where he served as a Standing Advisor until June 2019, the disclosure of a summary of these transactions is omitted because they are judged to have no impact on the judgment of shareholders and investors in view of their scale and nature.	<Reason for appointment as an outside Audit & Supervisory Board member> Mr. Nakano possesses abundant experience and insight, and advanced ability, developed at financial institution. As such, the Company believes he has effective auditing and advice for the Company and has elected him as an outside Audit & Supervisory Board member. <Reason for designation as an independent director> Mr. Nakano is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to him. ALSOK judged that there is no potential conflict of interest between Mr. Nakano and ordinary shareholders, and designated him as an independent director based on his abundant experience and insight, and advanced ability, developed at financial institution.
Yoshifumi Otsuka	○	Although there are transactions for contracted security operations between the Company and Daiwa Securities Group Inc. and Daiwa Securities Co., Ltd., where Mr. Yoshifumi Otsuka , the Outside Director designated as an independent director, served until March 2022, and the Company and Daiwa Institute of Research Ltd., where he served as an Executive Director until March 2024, the disclosure of a summary of these transactions is omitted because they are judged to have no impact on the judgment of shareholders and investors in view of their scale and nature.	<Reason for appointment as an outside Audit & Supervisory Board member> Mr. Otsuka possesses abundant experience and insight, as well as advanced abilities developed through his experience at a major securities company and elsewhere over many years, and can be expected to provide effective audits and advice in regard to the overall management of the Group. Judging that he will be able to appropriately perform the duties of an Outside Audit & Supervisory Board Member, the Company has elected him as an Outside Audit & Supervisory Board Member.

			<Reason for designation as an independent director> Mr. Otsuka is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to him. ALSOK judged that there is no potential conflict of interest between Mr. Otsuka and ordinary shareholders, and designated him as an independent director based on his abundant experience and insight, as well as advanced abilities developed through his experience at a major securities company and elsewhere over many years.
Toshie Tanaka	○	Although there are transactions for contracted security operations and other services between the Company and the Tokyo Metropolitan Police Department, where Ms. Toshie Tanaka, the Outside Audit & Supervisory Board Member designated as an independent officer, served as Deputy Superintendent General until April 2024, and the National Police Academy, where she served as President until August 2024, the disclosure of a summary of these transactions is omitted because they are judged to have no impact on the judgment of shareholders and investors in view of their scale and nature.	<Reason for appointment as an outside Audit & Supervisory Board member> Ms. Tanaka possesses abundant experience and insight, and advanced ability, developed over many years at government agencies. As such, the Company believes she has effective auditing and advice for the overall management of the Group and has elected her as an outside Audit & Supervisory Board member. <Reason for designation as an independent director> Ms. Tanaka is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to her. ALSOK judged that there is no potential conflict of interest between Ms. Tanaka and ordinary shareholders, and designated her as an independent director based on her abundant experience and insight, and advanced ability, developed over many years at government agencies.
Shigetoshi Ikeyama	○	Although the Company and Cabinet Secretariat, for which Mr. Shigetoshi Ikeyama, the Outside Director designated as an independent director, served as Counsellor at Administrative Reform Promotion Office until June 2019, and Ministry of Agriculture,	<Reason for appointment as an outside Audit & Supervisory Board member> Mr. Ikeyama possesses abundant experience and insight, and advanced ability, developed at government agencies. As such,

		Forestry and Fisheries, for which he served as Councillor (Deputy Director-General for Agricultural Production and Marketing Promotion, Crop Production Bureau) until March 2021, have transactions for the provision of security services, the disclosure of a summary of these transactions is omitted because they are judged to have no impact on the judgment of shareholders and investors in view of their scale and nature.	the Company believes she has effective auditing and advice for the overall management of the Group and has elected her as an outside Audit & Supervisory Board member. <Reason for designation as an independent director> Mr. Ikeyama is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to him. ALSOK judged that there is no potential conflict of interest between Mr. Ikeyama and ordinary shareholders, and designated him as an independent director based on his abundant experience and insight, and advanced ability, developed over many years at government agencies.

[Independent Directors/ Audit & Supervisory Board members]

Number of Independent Directors/Audit & Supervisory Board members	8

Matters relating to Independent Directors/Audit & Supervisory Board members

None

[Incentives]

Incentive Policies for Directors	Introduction of Productivity-linked remuneration system

Supplementary Explanation

The remuneration of directors consists with the flat amount determined by the title, outside directors, other directors and with the productivity-linked remuneration calculated by the performance feedback by certain standard. Among these, the productivity-linked remuneration accounts for 45% of total compensation, of which 30% is allocated to short-term incentives and 15% to medium- to long-term incentives.
The fixed compensation notified in advance paid every June fall into productivity-linked remuneration and as for the calculation, the company performance rate is determined by the bonus amount before deduction of consolidated operating income with investment gain on equity method added as a standard index. Furthermore, the individual performance payment rate will be determined based on the achievements of the challenges and achievement targets for the relevant fiscal year set for the individual. After, the amount of payment is decided by multiplying each payment rate by the standard amount.
From fiscal year 2026, in light of the fact that management is required to further promote the Company's sustainable growth and enhancement of corporate value, and to appropriately fulfill their roles and responsibilities, including improving profitability and capital efficiency, the Company has introduced

remuneration in the form of acquisition of the Company's own shares. This is intended to foster greater value-sharing with stakeholders than ever before and to provide incentives for increasing corporate value. This compensation is paid as a fixed portion based on the officer's rank, with the purpose of contributing to the Officers' Shareholding Association for the acquisition of company shares. Through this compensation, the Company will further increase management's motivation to contribute to the enhancement of corporate value and promote value sharing with shareholders.

Recipients of Stock Options	

Supplementary Explanation

None

[Director Remuneration]

Disclosure of Individual Directors Remuneration	No Individual Disclosure

Supplementary Explanation

Remuneration for Directors and Audit & Supervisory Board members with subtotals for each type of remuneration and numbers of recipients for Fiscal Year 2026

	Number of recipients	Total remuneration (¥ million)
Directors (excluding outside directors)	8	259
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	2	23
Outside Officers	9	93

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Contents of the policy regarding the amount of remuneration for officers
   With the resolution of General Meeting of Shareholders, the Company decides the maximum remuneration paid to directors should be 600 million yen in total (the number of directors involved in the resolution is 12; June 25, 2024) and as for Audit & Supervisory Board members shall be 120 million yen in total (the number of Audit & Supervisory Board members involved in the resolution is 4; June 30, 1998).
   The remuneration paid to directors, based on the following policies decided by the resolution of the Board of Directors, consists with the flat amount determined by the appointment and outside director, other directors besides, and with the productivity-linked remuneration calculated by the performance feedback of each directors by certain standard.
   The basic policy and method of determining the remuneration of the Company's directors (excluding outside directors) are determined by the Board of Directors after deliberation and reporting by the Nomination and Remuneration Committee, an optional committee with independent outside directors comprising the majority of members.
   The remuneration paid to Audit & Supervisory Board members is flat amount and the specific amount is determined following the standard decided at Board of Directors.

2. Policy on determining the payment ratio of productivity-linked remuneration and non-productivity-linked remuneration
Regarding the remuneration of the directors (excluding outside directors), the fixed compensation notified in advance (so-called bonus) paid in June every year corresponds to the productivity-linked remuneration.
If the company performance payment rate and the individual performance payment rate are both 100%, the payment ratio will be 43.5% of the total annual remuneration (short-term incentive: 29%, medium- to long-term incentive: 14.5%). In addition, the monthly remuneration corresponds to remuneration other than productivity-linked remuneration, and the payment ratio is 56.5% of the total annual remuneration when both the company performance payment rate and the individual performance payment rate are 100% from fiscal year 2026.

3. Policy for each position regarding the determination of the amount of remuneration for officers or the calculation method thereof
Of the remuneration of the Company's directors (excluding outside directors), the monthly remuneration is paid by adding the "role allowance" and "director's allowance" to the basic salary and the amount of payment is set for each rank. Additionally, stock-based compensation calculated at a specified rate is paid. In addition, the standard amount of fixed compensation notified in advance is set in conjunction with the monthly remuneration.

4. Index related to the productivity-linked remuneration, the reason for selecting the index, and the method of determining the amount of the productivity-linked remuneration
When calculating the fixed compensation notified in advance, which is a productivity-linked remuneration, as for short-term incentives, the company performance payment rate is calculated from the standard index (consolidated operating profit + equity method investment profit + consolidated bonus) processed from consolidated operating income, and as for medium- to long-term incentives, the company performance payment rate is calculated based on the three-year compound annual growth rate of the standard index. In addition, the individual performance payment rate is determined by the degree of achievement of the goals set for each individual. After that, the amount of payment for each individual is finally decided by multiplying the standard amount by each payment rate according to the following formula.

[Formula for calculating the average annual growth rate of the standard index]
Compound annual growth rate = {(standard index ÷ standard index 3 terms ago) to the 1/3 power} -1
[Formula for calculating short-term and medium- to long-term incentives]
Individual payment amount = Standard amount × Company performance payment rate × Individual performance payment rate

The reasons for adopting the above standard index are as follows.
(A) Improving the performance of the entire group, including equity method affiliates is the main role of officers.
(B) Consolidated operating income excluding the effects of fluctuations in bonus payments is considered to be a better indicator of company performance.

5. The name or name of the person who has the authority to determine the amount of remuneration, etc. for officers or the policy for determining the calculation method, the content of that authority, and the scope of discretion
The basic policy and method of determining the remuneration of the Company's directors (excluding outside directors) are determined by the Board of Directors after deliberation and reporting by the Nomination and Remuneration Committee, an optional committee with independent outside directors comprising the majority of members.
When determining the amount of productivity-linked remuneration to be paid to directors in the relevant fiscal year, the Board of Directors of the Company is considered to be in a position to most appropriately evaluate each director individually in terms of the individual performance payment rate. Therefore, we delegated to Tsuyoshi Murai, Representative Director and Group CEO, and Naoki Hyakutake,

Representative Director, to determine the payment rate based on the achievements of each director's challenges and achievement targets (KPI) for the relevant fiscal year.
The Board of Directors of the Company has determined that the individual remuneration of directors is determined by the above method, and that the content is in line with the decision policy.

6. Activities of the Board of Directors in the process of determining the amount of remuneration for officers in the most recent fiscal year
Remuneration for directors of the Company is a matter to be resolved by the Board of Directors in accordance with the rules of the Board of Directors. We have been deliberating on the remuneration system, revision of calculation method for the fixed compensation notified in advance, and performance payment rate and individual performance payment rate for the fixed compensation notified in advance.
In the current fiscal year, at the Board of Directors meeting held on May 13, 2025, we discussed the company performance payment rate and individual performance payment rate regarding the fixed compensation notified in advance scheduled to be paid in June of the same year.
For the reference performance indicator of this fiscal year, actual performance in the previous fiscal year (the fiscal year ended March 2025) was 71,808 million yen (achievement rate: 98.5%) compared to a plan of 72,901 million yen.

7. Future revision of executive remuneration system
Until fiscal year 2025, officers' remuneration was paid based on the above system. From fiscal year 2026, in light of the fact that management is required to further promote the Company's sustainable growth and enhancement of corporate value, and to appropriately fulfill their roles and responsibilities, including improving profitability and capital efficiency, the Company has introduced remuneration in the form of acquisition of the Company's own shares. This is intended to foster greater value-sharing with stakeholders than ever before and to provide incentives for increasing corporate value.
This compensation is paid as a fixed portion based on the officer's rank, with the purpose of contributing to the Officers' Shareholding Association for the acquisition of company shares. Through this compensation, we will further increase management's motivation to contribute to the enhancement of corporate value and promote value sharing with shareholders.

[Supporting System for Outside Directors and/or Outside Audit & Supervisory Board members]

The Company make effort to provide sufficient information such as to explain and distribute documents concerning bills to be placed at Board of Directors to outside directors and outside Audit & Supervisory Board members. As for the assistant of outside directors, General Affairs Department is in charge. As for the assistant of outside Audit & Supervisory members, secretariat of the Audit & Supervisory Board is established and the full-time employee is in charge.

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

The Company is a company with the Audit & Supervisory Board. It is effectively and with fulfillment audited by Audit & Supervisory Board members and the governance towards the management is effectively functioned.
As of June 25, 2025, the Company consists of 9 directors (including 4 outside directors) and 5 Audit & Supervisory Board members (including 4 outside Audit & Supervisory Board members). The Board of Directors is held once a month as to determine important matters concerning basic policy of management and business execution, and to supervise execution of duties by directors and executive officers. Furthermore, executive committee chaired by the Representative Director, Group CEO is held twice a month with determining the issues to be discussed at the Board of Directors, and concertation of business execution policy based on the determination at the Board of Directors. The Audit & Supervisory Board is held once a month, as to discuss or resolve important matters concerning the audit. Also, one Audit & Supervisory Board member is to attend the executive committee, and monitor the affairs of executive management adequately.
On February 7, 2023, the Company established the Nomination and Remuneration Committee as an optional advisory body, with independent outside directors comprising the majority of members, to ensure objectivity and transparency in the method of determining the nomination and remuneration of directors (excluding outside director), and to further enhance the corporate governance system. In addition, the Company has

revised its members of the Board of Directors to further improve the objectivity and transparency of its decision-making process from the perspective of increasing the involvement of outside directors in discussions in Fiscal Year 2024.
Moreover, the Company and outside directors/ outside Audit & Supervisory Board members have concluded a contract to limit liability for damage stipulated in paragraph 1, Article 423 of Companies Act in accordance with paragraph 1, Article 427 of Companies Act. The amount of limit of liability for damage is stipulated in the relevant contract as 10 million yen or the minimum amount of limit of liability that paragraph 1, Article 425 of Companies Act stipulate, whichever is higher. These are for the aim of outside directors and outside Audit & Supervisory Board members to fully play a role expected.

3. Reasons for Adoption of Current Corporate Governance System

The Company consists of 4 outside directors and 4 outside Audit & Supervisory Board members.
As for the outside directors and outside Audit & Supervisory Board members, it is expected to play a role to monitor and supervise the management from objective and neutral view. Moreover, the Company does not explicitly stipulate the standard nor policy concerning the independence to appoint outside director and outside Audit & Supervisory Board members, but as for the appointment, the company refers to the elements of independent officers which Tokyo Stock Exchange determine and the presence or absence of independence as one of judgment material. The Company reported to Tokyo Stock Exchange, 5 outside directors and 3 outside Audit & Supervisory Board members as independent officers.
Outside directors attend the Company's Board of Directors with outside Audit & Supervisory Board members and remark appropriately. Moreover, outside director monitors effective management as to receive in advance an overview of matters to be discussed in the Board of Directors from General Manager of General Affairs Department. Besides, outside Audit & Supervisory Board members cooperate mutually with supervision by outside director, audit of Audit & Supervisory Board members, internal audit and financial audit with regularly exchanging information and opinion with Audit & Supervisory Board members and audit corporation as well as other Audit & Supervisory Board members.
The relationship between these supervision or audit and internal control section are as follows. Outside directors, supervise business execution of other directors within internal control section from an independent position through the participation of Board of Directors. Outside Audit & Supervisory Board members evaluate the legality of operations in internal control section and consult of various materials as well as other Audit & Supervisory Board members.
The system is adopted with the judgement of impartiality for management and appropriate transparency.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Engagement to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	The Company dispatched the notice four days before the statutory dispatch date. In addition, the information was posted on the Company's Internet website as "Notice of the 61st Annual General Meeting of Shareholders."
Scheduling AGMs Avoiding the Peak Day	The Company held the General Meeting of Shareholders on June 24, 2026, an off-peak day of when many other companies are not concentrated.
Allowing Electronic Exercise of Voting Rights	Exercising voting rights via internet is allowed from the General Meeting of Shareholders held June 2019.
Participation in Electronic Voting Rights	The Company participates in the platform for exercising voting rights for institutional investors operated by ICJ, Inc. from the General Meeting of Shareholders held June 2019.
Providing Convocation Notice in English	The convocation notice is posted on the Company`s website, Tokyo Stock Exchange, Inc. and ICJ, Inc.

2. IR Activities

	Supplementary Explanations	Explanation by representative
Preparation and Publication of Disclosure Policy	The disclosure policy is posted on the Company's website. (https://www.alsok.co.jp/en/ir/management/disclosure.html)	
Regular Investor Briefings for Analysts and Institutional Investors	At the time of full-year and interim results announcements, analyst and institutional investor briefings are held by the Representative Director both in-person and online. The Representative Director also holds small meetings with sell-side analysts.	Yes
Regular briefings are held for overseas investors	The Representative Director or the director in charge of General Affairs and Corporate Communications deliver presentations for overseas investors at conferences hosted by securities companies and other events.	Yes
Posting of IR Materials on Website	The following materials are posted on the IR section of the Company's website. (https://www.alsok.co.jp/en/ir/library/) Financial statements, presentation materials of investors meetings, integrated report, annual securities reports, timely disclosures, status of corporate governance, convocation notice of General Meeting of Shareholders etc.	
Establishment of Department and/or Manager in Charge of IR	The Corporate Communications Department has established a dedicated IR Office.	

3. Engagement to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	"Arigato no kokoro" (a feeling of gratefulness and gratitude) based on the Company's management philosophy, is the expression of the gratitude towards all stakeholders. Furthermore, in the management policies, initiatives towards the stakeholders are proclaimed. (https://www.alsok.co.jp/en/ir/management/philosophy.html)
Implementation of Environmental Activities, CSR Activities etc.	The Group has established the "Sustainability Policy" and declared to fulfill social responsibilities as resilient "Integrated safety and security solutions provider" by promoting the innovation of security business model in order to meet the diverse safety and security needs of customers and society. Under the Basic Sustainability Policy, the Company will value compliance as to comply Security Services Act and related laws with preparation of management and supervision system for the aim of promoting sustainability. Furthermore, social contribution acts such as "ALSOK ANSHIN KYOSHITSU" program for children, "ALSOK HOTTO LIFE KOZA" program for senior citizens, "ALSOK Crime Prevention Seminar" program for women, and initiatives for the environment such as "Promotion of Eco Drive", "Environmental Management System", "Green purchasing, practice of 3Rs", and "Reforestation Activities" have been promoted. Besides, social contribution act "ALSOK ARIGATO UNDO Foundation" by the Company's executive officer is promoted. The Group will contribute to the achievement of the Unites Nations' 17 Sustainable Development Goals through business activities to resolve social issues in conjunction with the enhancement of efforts to environmental, social and governance in all corporate activities, and will further fulfill sustainability-related activities in a positive manner to carry out corporate social responsibility. Specific initiatives are indicated on "ALSOK REPORT". (https://www.alsok.co.jp/en/ir/library/annual.html) Sustainability Items (Environment) In addition to endorsing the recommendations of the Task Force on Climate-related Financial Disclosure, we disclose information pertaining to the four thematic areas of "Governance," "Strategy," "Risk Management," and "Indices and Targets" on our website. We are also working to endorse initiatives such as joining the United Nations Global Compact. Information pertaining to the four thematic areas is disclosed on the following website. URL: https://www.alsok.co.jp/company/society/tcfd/ Sustainability Items (Society) The Company has been contributing to the resolution of social issues by providing services that meet the diverse needs of society for safety and security. In providing these services, we have established a system that takes customer feedback seriously in order to improve customer satisfaction. In addition, we embody the ALSOK fundamental spirit of "arigato no kokoro" (a feeling of gratefulness and gratitude) and engage in community contribution activities utilizing our core business, such as the ALSOK ANSHIN KYOSHITSU program for children, in order to meet the demands and expectations of local communities for safety and security. Furthermore, in November 2023, we established the ALSOK Group Human Rights Policy to clarify our approach for respecting human rights. In addition, we established the Human Rights Committee in Fiscal Year 2024 to promote human rights due diligence. (a) Governance

	The Company conducts its business in accordance with the ALSOK Charter, which sets forth ALSOK's Management Philosophy, Management Guidelines, and Code of Conduct, and is expanding its business domain in accordance with the Medium-Term Management Plan. In addition, the Board of Directors annually receives reports the provision of products and services that contribute to the resolution of social issues and the status of social contribution activities. [CSR Management] https://www.alsok.co.jp/company/society/special/ (b) Strategy The Company strives to enhance our corporate value by strengthening our internal and external infrastructure developed through our security, facility management (FM) and other businesses, creating and providing diverse services as well as improving service quality and contributing to local communities. [Initiatives to Enhance Corporate Value] https://www.alsok.co.jp/company/society/special/ (c) Risk Management In accordance with the Risk Management Rules, the Risk Management Committee, chaired by President (Deputy Chairman is the officer in charge of risk management), has established a system for identifying and assessing company-wide risks. In addition, to improve service quality, customer feedback, such as complaints and words of appreciation received by the Head Office and branch offices are collected daily by the Customer Service Promotion Section of the General Affairs Department and shared with relevant departments. URL: https://www.alsok.co.jp/ir/management/governance.html [Quality Improvement] https://www.alsok.co.jp/company/society/consumer/ (d) Indicators and Targets In order to improve service quality, we are making improvements by introducing appropriate evaluation indicators for complaints and disclosing evaluation results as well as managing ALSOK ANSHIN KYOSHITSU, a community contribution program, which is to be held certain times annually. [Quality Improvement] https://www.alsok.co.jp/company/society/consumer/ [Community Contribution] https://www.alsok.co.jp/company/society/community/ Sustainability Items (Governance) Information on governance is disclosed on the following website. URL: https://www.alsok.co.jp/ir/management/governance.html (a) Governance The Company has the Audit & Supervisory Board. It is recognized that the company is effectively and with fulfillment audited by Audit & Supervisory Board members and that the governance towards the management is effectively functioned. (b) Risk management Due to the nature of its business to ensure social safety, the Company places particular importance on risk management. The Company has established a Risk Management Committee as well as an organization to examine risk management at each business site and comprehensively work on risk management, such as identifying and evaluating risks, formulating preventive measures and countermeasures. Sustainability Item (Information Security) Relevant information is disclosed in the securities report available on the following website. URL: https://www.alsok.co.jp/ir/library/securities.html (a) Governance

	The ALSOK Group has adopted the Basic Information Security Policy established by the Board of Directors as the cornerstone for ensuring company-wide information security. This basic policy applies to all employees, including directors and officers, and all information assets held by the Group. (b) Strategy To maintain a high level of information security, the Company is committed to continuous improvement by maintaining the Information Security Management System (ISMS) certification and Privacy Mark certification. The Company is also engaged in the research and development of security solutions and the provision of services. (c) Risk Management In the event of a serious information asset incident, the ALSOK-CSIRT (Computer Security Incident Response Team) is established and a system is in place to respond appropriately from the incident response to the consideration and implementation of recurrence prevention measures. (d) Indicators and Targets Using the status of incident occurrence as an indicator, the Company has set the target of “zero major incidents” and “five or fewer minor incidents” as standards for of our Information Security Management System (ISMS) certification, and have achieved these targets for nine consecutive fiscal years since Fiscal Year 2017.
Development of Policies on Information Provision to Stakeholders	The Company strives to ensure timely and appropriate disclosure of information according to the statutory disclosure requirements based on the rules on timely disclosure set by the Tokyo Stock Exchange. The Company also discloses critical information that is not subject to either statutory disclosure or timely disclosure requirements but could potentially affect investment decisions. This information is disclosed in a fair and prompt manner so as to give all the stakeholders equal access to it.
Other	Based on the fundamental concept that the source of growth in a company is its people, the Group supports the growth of employees, who underpin the Company’s sustainable growth, through various education and training programs as well as daily operations. Furthermore, we are promoting comprehensive system building and policies, such as securing diverse human resources and promoting their participation through the promotion of female recruitment and expansion of their positions. We are also enhancing our various support systems by implementing a system that allows taking long-term leaves that exceed the level required by the law more easily. For example, we support autonomous career development by the employees through promoting the acquisition of certifications that have high affinity with our field of business and activities to promote personnel exchange with central government ministries and agencies and other companies as well as between group companies. In terms of the acquisition of certifications, we promote autonomous challenges by the employees through clarifying the relationship between the knowledge and skills that can be acquired and positions as well as the vision the Company has for its human resources. We have also been continuously enhancing systems to build a comfortable working environment as well as improving treatment. As part of these initiatives, we have introduced a Student Loan Third-Party Repayment System in October 2024 to support young employees, who are human resources that will be the bedrock of ALSOK in the future. For other details, please refer to our website. (https://www.alsok.co.jp/company/society/)

IV. Matters Related to the Internal Control System

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

Based on Corporation Law and Financial Instruments and Exchange Law, the Group is maintaining system to secure the rightness of business for other corporations, corporate group which are made up from such company and subsidiaries and agreement for execution of duty as director and employee to law and certificate of incorporation. The basic policies are the following.

1. System to secure the agreement of execution of duty as directors and employees to law and certificate of incorporation.

1. Ever since the company was founded, we have cherished "the ALSOK Charter", which is composed of the founder's spirit and motto of the company. We have encouraged our business activity in accordance with the charter.
2. We watch the execution of function, by establishing "Board Regulations", "Internal Memo Regulations", "Policies of Dividing Duties", and "Policies of Administrative Authority", divide administrative authority, and obligate final decision that exceeds authority in charge.
3. We enacted an "Ethical Rule" as standard for the action based on the ethics with sincere performance of duty.
4. We adopted "Compliance Rule" and made one of the directors as the director in charge of compliance, who reports activity conditions to Management Committee and the Board of Directors Meeting if necessary.
5. We established "Internal Report Rule" in order that we can construct the internal report system and operate it appropriately.
6. We established the internal audit exclusive jurisdiction department under the direct control of the President. The department regularly inspects management activities at all departments in the headquarters and branches and reports the results to the auditors and directors.
7. Based on the law of Financial Instruments and Exchange Act, we maintain and operate systems to make the financial reporting properly is maintained and operated.
8. We adequately conduct various education such as law, articles of incorporation, and internal rules for directors and employees.

2. System concerning preservation and management of information that lies execution of duty as director

1. Establish an order concerning primary information that show the execution condition of General Meeting of Shareholders record, Board of Directors record, Management Committee record, request for approval, contracts, account book, financial documents, and other services as to conservation management concerned information.
2. Allow directors and Audit & Supervisory Board members to browse this information anytime.

3. Other systems of regulations concerning management to risk of loss

1. Together with establishing "Risk Management Rule" and naming the risk management officer, we estimated and evaluated risks. Person in charge should report to the Board of Directors Meeting and Management Committee as needed and to come out with needed measures of prevention, reduction, transfer of risks or settle coping strategy when risk occurs.
2. We establish "Business Continuity Plan", adjust the systems, and measures when natural disaster occurs.
3. Together with establishing "Information Asset Management Rule" and naming the information asset management officer, we formulate the structure to protect the information asset from threats such as robbery, divulgation, falsification, depredation and disasters.

4. System to secure efficient execution of director's duty.

1. The management plan of the mid-term and fiscal year is made based on the business objective.
2. As for the management plan of fiscal year, it is reported to the Director and the Management Committee every month, and the progress management is carried out monthly.

3. “Administrative Authority Regulation” is enacted, and an efficient decision making is done by allotting the administrative authority.
4. The business processing is simplified by the backbone system that uses IT, and is planned to make the management and business more efficient and rationalize.

5. System to secure propriety of business in corporate group that consists of our company and subsidiaries.

1. The rule for the business management of the subsidiaries is enacted together with the exclusive competency post set up, and the umbrella administration is carried out. For subsidiaries, besides making report concerning exercise of function, strict guide and supervising toward the subsidiaries is done, by sending the director or the Audit & Supervisory Board member from our company.
2. Significant information concerning the risk of loss for subsidiaries should be reported to subsidiaries competency post based on the rule for the business management, risk correspondence is carried out in cooperation with the group.
3. The subsidiaries shares information with our company through various conferences and in-house electronic bulletin boards, and improve operational efficiency through application of operation system common in subsidiaries. Designing the group`s medium-term management plan and annual management plan, progress management of the plans are carried out the monthly business condition reported from subsidiaries.
4. Our company and the subsidiaries operate the execution of the compliance activity and the internal report system and completely intercept the relation to antisocial forces, and for such occasions, approaches for necessary maintenance of the company structure and cooperation with external specialized agencies are carried out. In cooperation with subsidiaries, internal audit is carried out for significant subsidiaries.

6. System that secures the effective audit by the Audit & Supervisory Board Members

1. The Audit & Supervisory Board secretariat is established, and the employee who assists the duty as the Audit & Supervisory Board member is arranged.
2. The Audit & Supervisory Board secretariat member’s personnel affairs are to acquire the agreement of the Audit & Supervisory Board. The Audit & Supervisory Board secretariat members solely comply with command from the Audit & Supervisory Board members.
3. The director and employees report to the Audit & Supervisory Board members about an important matter concerning business. The Audit & Supervisory Board members attend the Board of Directors Meeting and the Management Committee. The internal audit exclusive competency post performs information exchange regularly together with the Audit & Supervisory Board members. In addition, Audit & Supervisory Board Members attend the Board of Directors and Management Committee.
4. Appropriate report is carried out promptly by the directors and employees of the subsidiaries, when the report concerning is desired. Department in charge of internal report, reports significant notify including the notification of subsidiaries to the Audit & Supervisory Board members. Furthermore, for our directors, employees and directors of subsidiaries who reported to Audit & Supervisory Board members are not to be unfavorably-treated for the reason to have been reported.
5. Our company annually set a certain amount of budget to pay expenditures which come about from the exercise of function of Audit & Supervisory Board members. When the Audit & Supervisory Board members charge for such expenditures, it is handled properly.
6. The Audit & Supervisory Board members regularly exchange opinions or interview with the President and each general manager, and audit each office and subsidiary. The Audit & Supervisory Board members regularly hold the skull sessions with Audit Corporation.

2. Basic Views on Eliminating Anti-Social Forces

The Company strengthens the structure towards exclusion of anti-social forces, such as establishing rules and manuals of correspondence towards anti-social forces and declaration of anti-social forces such as crime group etc.

Declaration of anti-social forces such as crime group etc.

The Company has an awareness and pride as a security service provider to protect people's life, body, and property with providing appropriate services and contributing to security measures. The Company will approach to fulfill corporate social responsibility as to exclude crime group, crime group members, affiliated companies of crime groups, extortionist, groups engaging in criminal activities under the pretext of conducting social campaigns or political activities, crime groups specialized in intellectual crimes, and group or individual pursuing economic benefit using power and fraud method.

The Basic Policies are as follows.

1. The Company institutes evidences in ethic rules and internal rules, and will correspond to anti-social forces, not just by the person or department in charge but by the top management including representative directors.
2. The Company will secure the safety of the employees corresponding to anti-social forces.
3. The Company will put effort in excluding anti-social forces by cooperating with the police, the National Center for the Elimination of Boryokudan (crime group), and lawyers.
4. The Company will intercept any relationships with anti-social forces including the offer of products and services and other business relations.
5. The Company will reject unreasonable demands by anti-social forces.
6. The Company will take a legal action from both civil and criminal sides against unreasonable demands by anti-social forces.
7. Even though the unreasonable demands by anti-social forces is by the reason of the company or employee's scandal, the Company will not backroom deal as to obscure the fact and will correspond with transparency.
8. The Company will not provide funding to anti-social forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

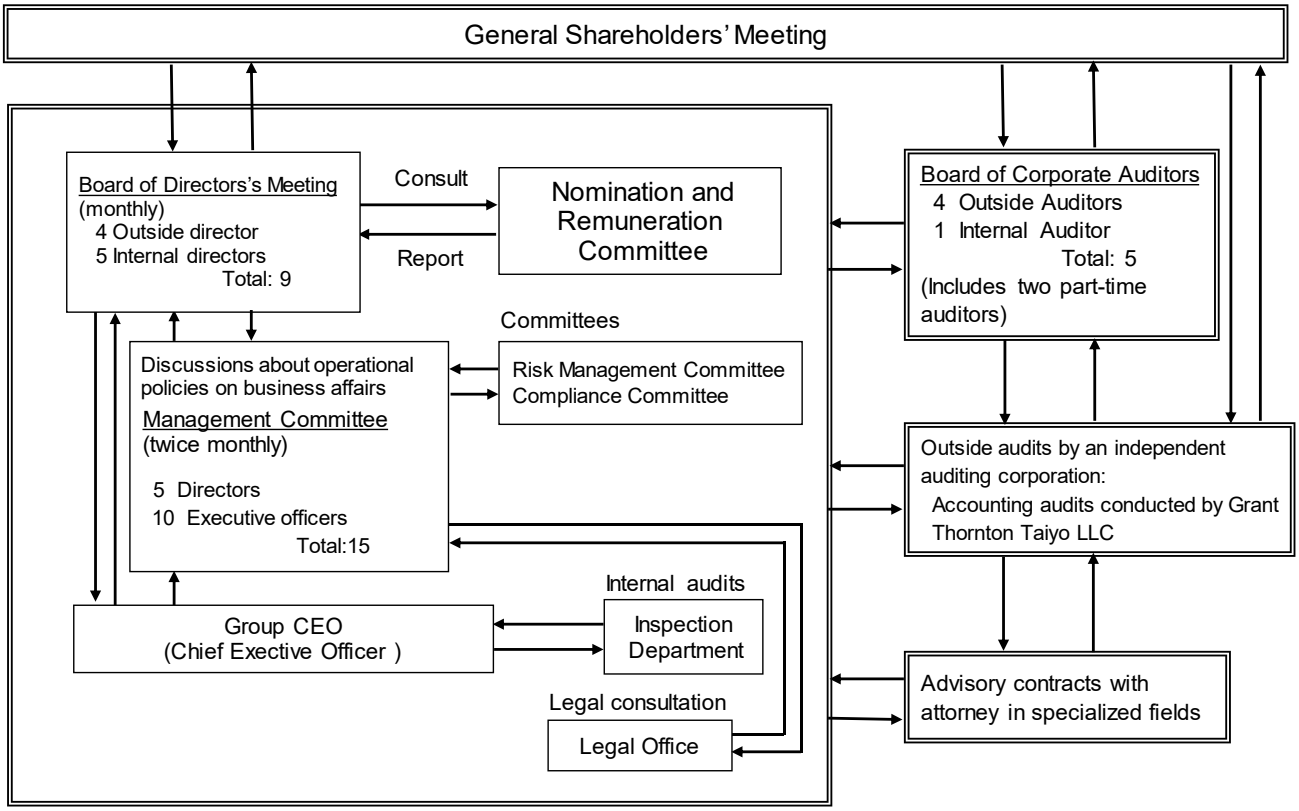
Supplementary Explanation

None

2. Other Matters Concerning to Corporate Governance System

1. Corporate Governance System including the outline of internal control system
The Company has formulated the code of conduct of employees by the philosophy of "devote ourselves to protecting the safety and security of our customers and of society as a whole" in the ALSOK charter. The Company endeavor employee awareness-raising, as creating environment of internal control and constitute "ethical rules" under the director in charge of corporate ethics.
Please refer to attachment for the schematic diagram of corporate governance system.

2. Outline of Timely Disclosure System
The outline of Timely Disclosure System are as follows.
(1) Basic views of Timely Disclosure
The Company strives to ensure timely and appropriate disclosure of information according to the statutory disclosure requirements based on the rules on timely disclosure set by the Tokyo Stock Exchange. The Company also discloses critical information that is not subject to either statutory disclosure or timely disclosure requirements but could potentially affect investment decisions. This information is disclosed in a fair and prompt manner so as to give all the stakeholders equal access to it.
(2) Process of information disclosure
(a) Information handling officer
As a chief administrator of company management of important information and timely disclosure, the company adopts a director in charge of General Affairs and Corporate Communications as Information handling officer. To conduct company management of important information adequately, general manager of General Affairs Department is set as a director of internal information management.
(b) Department in charge of timely disclosure
Corporate Communications Department is in charge of timely disclosure and is the inquiry counter of timely disclosure.
(c) Aggregation and management of information
Information items needed for timely disclosure is set to each department in charge is notification is sent to all managers in the Company. The manager of each department should contact to Information Handling Officer promptly when any decisions, events, or financial information related to be disclosed based on the regulations of Tokyo Stock Exchange should occur.
(d) Decision of disclosures
Concrete contents of the disclosure are decided under the adjustment in Corporate Communications Department and the approval of the company. Approval of the company is decided under the resolution of Board of Directors or proposal to managers, officers, Information handling officer and the president and the company endeavor to swiftly disclose.
(e) Method of Timely Disclosure
After the approval, Corporate Communications Department discloses among the timely disclosure rules on the timely disclosure System (hereinafter "TDnet") provided by Tokyo Stock Exchange. After disclosed on TDnet, it is also disclosed on the company's website without delay.


General Shareholders' Meeting
Board of Directors's Meeting
(monthly)
4 Outside director
5 Internal directors
Total: 9
Consult
Report
Nomination and Remuneration Committee
Committees
Risk Management Committee
Compliance Committee
Discussions about operational policies on business affairs
Management Committee
(twice monthly)
5 Directors
10 Executive officers
Total:15
Group CEO
(Chief Exective Officer)
Internal audits
Inspection Department
Legal consultation
Legal Office
Board of Corporate Auditors
4 Outside Auditors
1 Internal Auditor
Total: 5
(Includes two part-time auditors)
Outside audits by an independent auditing corporation:
Accounting audits conducted by Grant Thornton Taiyo LLC
Advisory contracts with attorney in specialized fields