

Corporate Governance

The CUBE SYSTEM Group pursues the advancement of its corporate value through assurance of equity and transparency in business management and response to the expectations of its stakeholders by continual reinforcement of corporate governance.

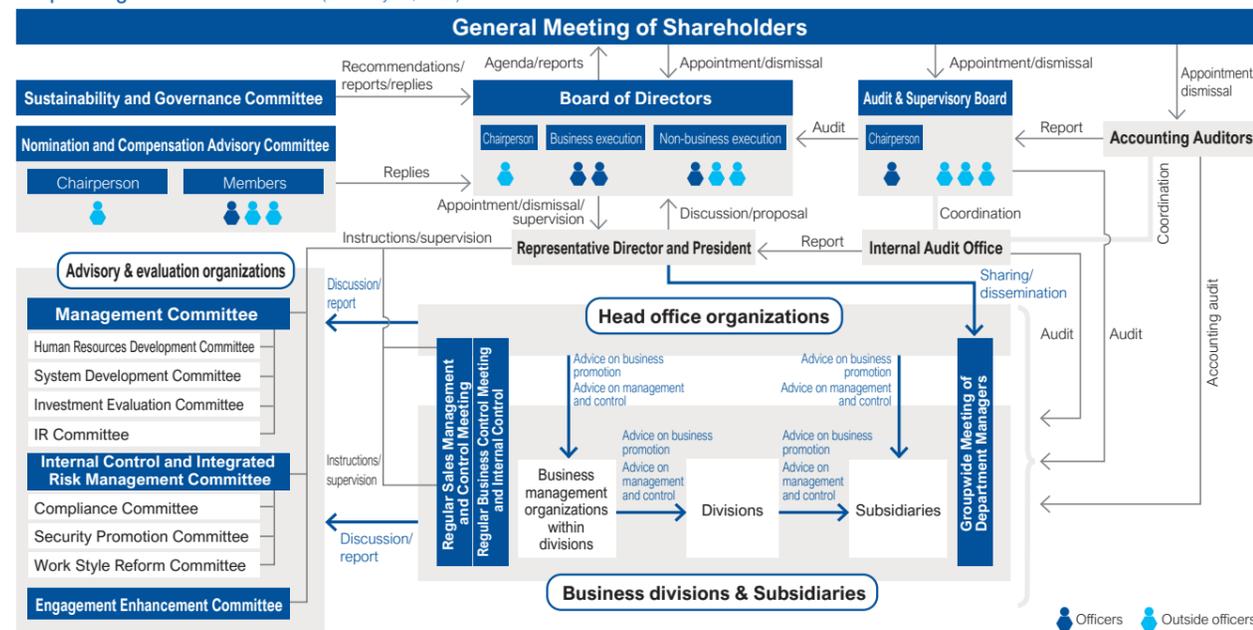
Basic Approach

We believe that improvement to corporate governance is an important issue in fair and efficient business management and continuing to provide solutions and services that satisfy our customers. For this purpose, we are directing our efforts to the development of a business management system that ensures precise and transparent decision-making, swift business execution and proper and appropriate supervision and monitoring. At the same time, actions are taken to assure that our officers and employees comply with laws and regulations. Furthermore, our basic policy is to continuously improve corporate value to meet the expectations of our shareholders, customers and other stakeholders.

The Reasons for the Current Corporate Governance Structure

We are a company with an Audit & Supervisory Board, which supervises our business management. At the same time, we have an executive officer system, in which directors are responsible for business decision-making and supervision and the executive officers are responsible for business execution. The majority of the Audit & Supervisory Board members are outside members. Thus, they provide advice and recommendations from specialized perspectives at important management meetings and are promoting improvements to the business monitoring function. We have adopted the existing corporate governance structure to build a highly equitable and transparent management system by our outside directors and outside Audit & Supervisory Board members with a high level of independence.

Corporate governance structure (as of July 16, 2025)



Board of Directors

The Board of Directors is responsible for our sustainable growth, corporate value improvement, and realization of the medium- to long-term increase in common interests of shareholders. The Board of Directors exercises its supervisory function and makes its optimal decisions based upon ethical judgement. The Board of Directors consists of six directors, of which three are outside directors. In addition to the monthly meeting of the Board of Directors, extraordinary meetings are held as needed to make decisions on important management issues and at the same time supervise business execution by each executive officer.

- Agenda items**
- Progress toward the Medium-Term Management Plan
 - Development status of the next generation of human resources to serve in top management, etc.

Audit & Supervisory Board

The Audit & Supervisory Board members audit the state of business execution and governance from a neutral standpoint and audit the business performance of the directors and executive officers, participating in important meetings of the Board of Directors and Management Committee, etc. and investigating the status of our business operations and assets. The Audit & Supervisory Board consists of two full-time and two part-time Audit & Supervisory Board members, with a majority being outside members.

- Agenda items**
- Internal control
 - Status of execution of executive officer duties, etc.

Nomination and Compensation Advisory Committee

The Nomination and Compensation Advisory Committee is comprised of a majority of independent officers, with an independent outside director as its chairperson. Acting as a voluntary advisory body to the Board of Directors, the Committee reviews and gives recommendations on basic policy, standards, and suitability concerning the nomination of candidates for director and executive officers (hereafter, directors), and matters of compensation, etc. for directors and other officers. The Committee also is responsible for developing the next generation of company representatives and leaders.

- Agenda items**
- Nomination and compensation of directors and executive officers
 - Term limits for outside directors, etc.

Evaluation of the Effectiveness of the Board of Directors

To improve the functioning of the Board of Directors, we review evaluations of and opinions on the operation of the Board. Then we analyze and evaluate the effectiveness of the Board. Under the instructions of the Sustainability and Governance Committee, the voluntary advisory organ of the Board of Directors, the Secretariat of the Committee interviews all directors and Audit & Supervisory Board members. After evaluating and analyzing the interviews, the secretariat discusses the evaluation, proposes measures to improve the effectiveness of the Board of Directors, and gives the Board advice and recommendations.

Evaluation results for FY2024

The Board of Directors was evaluated as having a high level of effectiveness with regard to its role and structure. Improvement measures for FY2023 were effectively implemented and were recognized for increasing the likelihood that Medium-Term Management Plan targets would be met.

Issues and future efforts

In promoting a human resources strategy, we are enhancing monitoring efforts tracking progress from the perspective of quality, quantity, and motivation.

Executive Compensation

Basic policy

Our executive compensation is aimed at securing the outstanding management talent necessary to achieve sustainable growth and enhance corporate value, and is functioning effectively as an incentive in achieving the anticipated results.

Compensation decision-making process

Compensation for directors is deliberated on by the Nomination and Compensation Advisory Committee, taking comprehensive account of each director's level of responsibility for our management and the progress of the Medium-Term Management Plan and other factors. In response to the Committee's proposals, the Board of Directors determines the compensation within the limits resolved at the General Meeting of Shareholders. Compensation for directors concurrently serving as executive officers consists of a base salary, stock-based compensation granted upon retirement, bonuses (tied to short-term performance), and stock-based compensation (tied to medium-

term performance). Compensation for non-executive directors consists of a base salary and stock-based compensation granted upon retirement. Said directors are not eligible for performance-linked compensation as they serve in a purely supervisory and guidance role. Compensation for outside directors and Audit & Supervisory Board members comprises basic compensation only, and is determined by the Audit & Supervisory Board within the limits resolved at the General Meeting of Shareholders.

Compensation standards

Executive compensation is decided based on various factors such as the general economic and social conditions, compensation levels at competing businesses, balance with employee compensation, the level of our business performance.

Fixed compensation

- a Basic compensation (for directors and Audit & Supervisory Board members)**
- Basic compensation is paid for the role and responsibilities of each officer and is decided for each position based on the officer's business performance, the number of years in office and expected value, in balance with compensation levels at competing businesses and balance among the directors. 1/12 of the annual compensation is paid on a monthly basis.

- b Stock-based compensation granted upon retirement (for directors other than outside directors)**
- As a long-term incentive designed to maintain a consistency of perspectives among officers and shareholders, fixed points are given to each director, corresponding to their rank, at a designated period of time after the end of each fiscal year, and equity compensation is awarded on resignation from office.

Variable compensation

- a Bonus (for directors holding concurrent executive officer posts)**
- As an incentive for short-term business performance within the scope and area of responsibility, an amount decided based on a comprehensive examination of performance against plan, performance compared to the preceding fiscal year, company business performance, etc., and based on the consolidated operating profit for the fiscal year in question, is paid at a certain period of time following the end of each fiscal year.

- b Equity compensation linked to business performance (for directors holding concurrent executive officer posts)**
- As a medium-term incentive for achieving the targets of the Medium-Term Management Plan for the company-wide performance (financial), and quantitative and qualitative targets (non-financial), points corresponding to the degree of accomplishment of the targets in the Medium-Term Management Plan are given at a designated period of time following the end of the fiscal year, and equity compensation is issued at the end of the final year of the Medium-Term Management Plan.

Efforts in Developing Management Human Resources

Developing future management human resources is one of the most important elements in the management issues, and we are actively training potential candidates. We created a framework for the succession plan, which was then assessed by the Nomination and Compensation Advisory Committee. We are implementing initiatives to develop future management human resources at each job level.

Taking account of the business conditions, we held discussions on the credentials and requirements for management human resources, selection approach, and development policy. Through these discussions, we formulated an ideal for our company's management human resources from the medium- to long-term viewpoint, and we are now providing education to selected candidates. To realize team-based management that aims for further growth, we provided selected employees with a program that required sharing a vision and unifying the principles for action, to build a team culture founded on mutual understanding and trust. We are establishing the foundation to promote the coupling of management strategies and our business expansion. We continue to develop future management human resources suitable for our company founded on team-based business management.

List of Officers (as of September 1, 2025)

Directors



Masahiro Nakanishi
Representative Director and President
Date of birth: November 6, 1958

April 1982 Joined Nomura Computer Systems Co., Ltd. (current Nomura Research Institute, Ltd.)
October 2009 Deputy General Manager of Chubu Regional Headquarters
April 2017 Executive Officer of the Company
April 2018 Managing Executive Officer
April 2020 President and CDO (Chief Digital Officer)
June 2020 Representative Director (current position)
April 2024 President (current position)



Masaki Tochizawa
Director
Date of birth: January 14, 1953

April 1975 Joined Nomura Computer Systems Co., Ltd. (current Nomura Research Institute, Ltd.)
April 2006 Senior Managing Director and Head of Kansai Regional Office
April 2008 Executive Officer of the Company
June 2008 Director
June 2012 Managing Director
June 2015 Director & Senior Managing Executive Officer
April 2020 Director (current position)



Minoru Odaka
Director and Managing Executive Officer
Date of birth: March 20, 1967

October 1999 Joined the Company
October 2007 Executive Officer
April 2018 Senior Executive Officer
April 2020 Managing Executive Officer (current position)
June 2025 Director (current position)



Takao Shiino
Director (Independent Outside)
Date of birth: September 17, 1954

April 1979 Joined Nomura Research Institute, Ltd. (NRI)
June 2000 Member of the Board
April 2002 Member of the Board and Senior Corporate Managing Director
April 2007 Counselor
May 2007 Executive Director of Japan Information Technology Services Industry Association
April 2009 Director of the Japan Data Center Council
July 2010 Chair of The Green Grid Japan Liaison Committee
April 2012 Dean of Nomura School of Advanced Management
June 2012 Senior Managing Director
June 2015 Independent Outside Director of the Company (current position)



Hanae Nagata
Director (Independent Outside)
Date of birth: December 5, 1986

April 2012 Obtained a medical practitioner's license
April 2012 Joined Japanese Red Cross Musashino Hospital
May 2016 Industrial physician of Yahoo Japan Corporation
May 2018 Representative Director of PhilLife Co., Ltd. (current position)
June 2020 Independent Outside Director of the Company (current position)



Takaaki Saito
Director (Independent Outside)
Date of birth: December 3, 1971

April 1995 Joined Tohmatu & Co. (current Deloitte Touche Tohmatsu LLC)
July 1999 Registered as a Certified Public Accountant
April 2001 Seconded to Fuji Bank, Limited (current Mizuho Bank, Ltd.)
July 2012 Named as a partner of Deloitte Touche Tohmatsu LLC
September 2021 CEO of SET THE DIRECTION Co., Ltd. (current position)
November 2021 Director of Takaaki Saito Certified Public Accountant Office (current position)
June 2023 Independent Outside Director of the Company (current position)
May 2024 Outside Director of YAKUODO HOLDINGS CO., LTD. (current position)
April 2025 Outside Director of Adastria Co., Ltd. (current position)

Audit & Supervisory Board Members



Toshio Uchida
Full-time Audit & Supervisory Board Member
Date of birth: November 24, 1953

April 1975 Joined the Company
June 1988 Director
June 1995 Managing Director
June 2002 Senior Managing Director
June 2015 Director & Executive Vice President
April 2018 Director
June 2023 Audit & Supervisory Board Member (current position)



Tatsuo Nonaka
Full-time Audit & Supervisory Board Member (Independent Outside)
Date of birth: October 25, 1958

April 1982 Joined Mitsubishi Corporation
March 1996 Director & Treasurer of Mitsubishi Motors Credit of America, Inc.
February 2009 Deputy Director, Leasing Business Unit of Mitsubishi Corporation
May 2010 Executive Vice President & General Manager of Financial Affairs, Mitsubishi Auto Leasing Corporation
October 2018 Retired from Mitsubishi Corporation
Transferred to Mitsubishi Auto Leasing Corporation
Executive Vice President of Mitsubishi Auto Leasing
April 2021 Audit & Supervisory Board Member of the Company
June 2021 Audit & Supervisory Board Member of the Company (current position)



Yukako Miida
Audit & Supervisory Board Member (Independent Outside)
Date of birth: December 21, 1977

April 2000 Joined Sumitomo Marine & Fire Insurance Co., Ltd. (current Mitsui Sumitomo Insurance Company, Limited)
October 2001 Joined New Tokyo International
November 2005 Joined ChuoAoyama Tax Corporation (current PwC Tax Japan)
November 2008 Joined PricewaterhouseCoopers Aarata (current PricewaterhouseCoopers Japan LLC)
August 2011 Registered as a Certified Public Accountant
January 2023 Director of Miida Certified Public Accountant Office (current position)
June 2023 Audit & Supervisory Board Member of the Company (current position)



Misato Fukushima
Audit & Supervisory Board Member (Outside)
Date of birth: December 21, 1983

December 2009 Registered as an attorney
January 2010 Joined Nishimura & Asahi (current position: Counsel)
September 2016 Seconded to JX Nippon Oil & Energy Asia Pte. Ltd.
August 2021 Seconded to JERA Co., Inc.
June 2024 Audit & Supervisory Board Member of the Company (current position)

Executive Officers

Masahiro Nakanishi President	Kenichiro Iida Managing Executive Officer	Hideaki Nishimura Managing Executive Officer	Kenkichi Kumagai Managing Executive Officer
Minoru Odaka Managing Executive Officer	Shin Kanai Managing Executive Officer	Koji Aihara Managing Executive Officer	Daiki Wakamatsu Managing Executive Officer
Hirofumi Kitagaki Senior Executive Officer	Satoshi Yoneda Senior Executive Officer	Katsuya Mori Senior Executive Officer	Ryo Ota Executive Officer
Toshifumi Nomura Executive Officer	Nobuhito Miyazaki Executive Officer		

Officer skill matrix (as of September 1, 2025)

Name	Attributes	Position in the Company	Nomination and Compensation Advisory Committee	Areas where expertise can be especially demonstrated						
				Governance/Business management	Laws and legislation/Compliance	IT services	DX/New technology/Consulting	Production technology/Quality management	Finance/Sustainability	Human resources/Health and Productivity Management
Masahiro Nakanishi		Representative Director	Member				○	○		○
Masaki Tochizawa		Director				○				
Minoru Odaka		Director			○	○				○
Takao Shiino	Independent Outside	Outside Director	Member	○		○	○			
Hanae Nagata	Independent Outside	Outside Director	Member							○
Takaaki Saito	Independent Outside	Outside Director	Chairperson	○	○				○	
Toshio Uchida		Full-time Audit & Supervisory Board Member		○				○		○
Tatsuo Nonaka	Independent Outside	Full-time Audit & Supervisory Board Member			○				○	
Yukako Miida	Independent Outside	Audit & Supervisory Board Member							○	
Misato Fukushima	Outside	Audit & Supervisory Board Member		○	○					

Reasons for selecting skills

- Governance/Business management**
In order to maintain an appropriate corporate governance system, engage in fair and efficient management, and realize important decision-making and the formulation and promotion of business strategies that contribute to improving corporate value over the medium- to long-term, a wealth of expertise and experience in overall corporate management and business strategies are necessary skills.
- Laws and legislation/Compliance**
In order for each employee, as a self-reliant business person, to live up to the trust of all stakeholders and realize sound and sustainable enhancement of corporate value, knowledge of compliance and strict compliance with laws and regulations, which is the basis of corporate activities, is a necessary skill.
- IT services**
In order to thoroughly understand the SI and System Enhancement Business that are the foundation of our company, and to provide sustainable services and contribute to the development of our customers' businesses, a wealth of knowledge and experience in these IT services are necessary skills.
- DX/New technology/Consulting**
In order to have the experience to contribute to solving social issues from the customer's perspective and to promote company-wide digital transformation (DX), experience in the use of advanced technologies and knowledge of consulting are necessary skills.

- Production technology/Quality management**
In order to realize the provision of high quality services that satisfy our customers based on our basic policy of "Customer First," manufacturing through production technology and knowledge to ensure quality are necessary skills.
- Finance/Sustainability**
Turning the social challenges our clients face into business opportunities, achieving sustainable growth, and making the necessary investments require knowledge of financial accounting that supports a sound and solid financial foundation.
- Human resources/Health and Productivity Management**
In order to reform the human resources system to support employees' taking on challenges and self-realization, propose new ways of working, improve brand value, etc., and solidify the foundation for sustainable growth, a wealth of expertise and experience in human resources, human resource development, and labor affairs are necessary skills.

Risk Management

To achieve sustainable growth and improve the corporate value of the CUBE SYSTEM Group, we identify risks that may be involved in our business activities and implement continuous risk management for the entire Group.

Policy on Internal Control and Integrated Risk Management Committee

The Group has established an internal control system in order to appropriately identify risks, strive to prevent the occurrence of losses, and keep the impact of any losses within reasonable limits. To strengthen continuous improvement and reinforcement of the internal control function, we have appointed executive officers in charge of Internal Control and Integrated Risk Management, along with establishing an office for the supervision of risk management.

The level of risk and its importance are evaluated from the four perspectives of compliance with laws and regulations, trustworthiness of our financial reports, efficiency and effectiveness of business operations and resources/assets. We develop and introduce measures that are required for groupwide implementation.

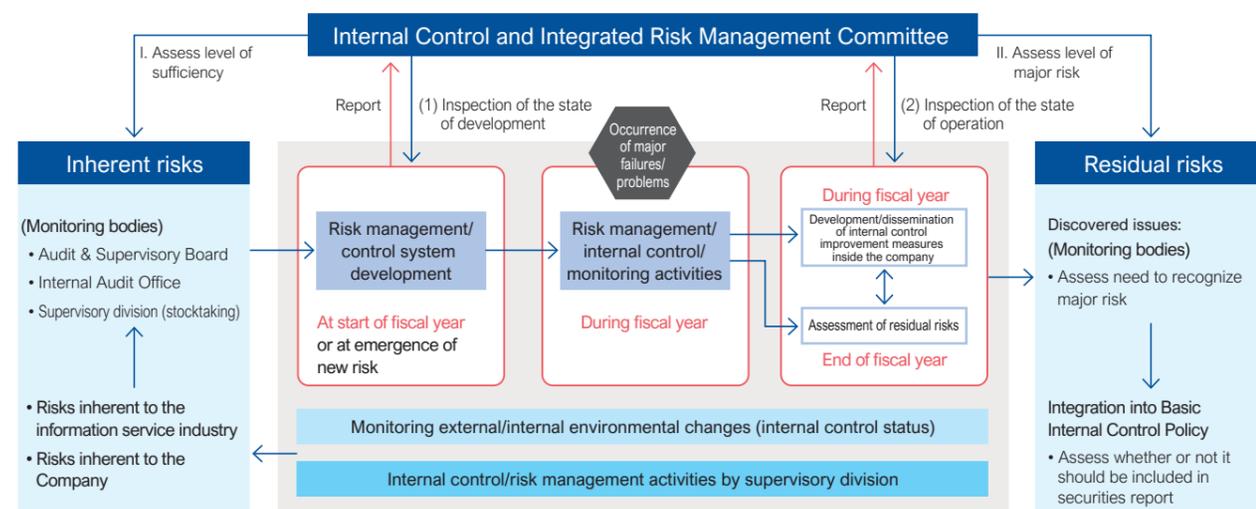
For the maintenance and improvement of internal control, we monitor the state of operation and conduct reviews and deliberations under the Internal Control and Integrated Risk Management Committee. The findings and conditions are reported to the Board of Directors to reinforce and improve the groupwide internal control system.

Target themes and actions

	Themes	Response measures
1	Natural disasters/BCP Establishment of risk management system IT-BCP	<ul style="list-style-type: none"> Disaster response headquarters training, refinement of operational protocols, and improved emergency supplies and environment Cloud migration of the core database system and partial implementation and revision of IT-BCP themes as part of plans for investment in IT systems for in-house use
2	Information security and information management Cyber security measures	<ul style="list-style-type: none"> Zero incidents Rule updates (enacted April 2025)
3	Compliance with laws and regulations	<ul style="list-style-type: none"> Updates to internal rules and alignment of internal and external operational practices to comply with recent legal revisions (Whistleblower Protection Act, Labor Standards Act, Financial Instruments and Exchange Act, Economic Security Promotion Act)
4	Labor affairs management Manager awareness reform	<ul style="list-style-type: none"> Reduction of overtime hours Reduction of Company-wide average for overtime hours (target setting)
5	Ethical conduct	<ul style="list-style-type: none"> Review of the internal reporting system and expansion of contact channels for subcontractors
6	Greater information transmission and communication	<ul style="list-style-type: none"> Measuring effectiveness through utilization of Wevox*
7	Human resources/Retention	<ul style="list-style-type: none"> Improving retention rates for employees in their first three years with the Company (target setting)

* Engagement analysis tool provided by Atrac, Inc.

Internal Control and Integrated Risk Management Committee: Internal control system



Policy on Project Risk Management

In management of our system solution services, we have established practical guidelines and are promoting risk recognition among all employees with groupwide monitoring for early detection of and a swift response to project risks.

Structure of Project Risk Management

Project risk management is classified into four processes: project estimate proposal, planning, implementation and completion. In each of the processes, risk is managed by defining what the project should do, what the divisions/departments should do and what the Quality Management and Promotion Department should do as part of our groupwide function.

Specifically, we have clarified project management roles and established a meeting body for project risk management to manage projects properly according to the level of risk (monitoring levels and response difficulties) and the condition and status of the project.

Project risk management system



Risk assessment

We set risk ranks for each project for effective and smooth project monitoring. In particular, projects that fall under groupwide monitoring require groupwide monitoring and must be reported to the System Development Committee or the Individual Project Management Committee. We also conduct risk assessment at each project site using our own risk assessment sheet, as part of our efforts to assess various risks both from management and on-site perspectives.

Response to risks

In addition to monitoring the state of the project with each division, risk sharing and the operations needed to resolve issues, we monitor projects groupwide depending on the risks involved in the project through activities of the System Development Committee.

System Development Committee

In providing solutions services, the System Development Committee assesses the various processes, including project estimate proposal, planning, implementation and completion for each project. In addition, the results are shared with top management for better decision-making and support by the Company to contribute to effective project management.

Activities by Internal Audit Office

We have an Internal Audit Office as an independent organization directly under the control of the President. This office regularly conducts an internal audit of each CUBE SYSTEM department, as well as group companies. The office also performs ad hoc internal audits as required. Further, they are responsible for verification, analysis, and assessment of whether the group's business activities are appropriately and rationally carried out in accordance with the management policies, plans, and regulations, and whether they are functioning duly and efficiently toward management targets, such as increasing corporate value and sound business development.

The results of internal audits are regularly reported to the President, as well as to directors, Audit & Supervisory Board members, and department and section managers, and related records are stored in an appropriate manner. Also, the representative director, Audit & Supervisory Board members, and accounting auditors closely collaborate to exchange information and opinions to continuously improve the effectiveness and efficiency of internal audits and internal controls.

Information Security

Because we handle information assets from customers in our business operations, information security is a major management issue. We see it as our responsibility to ensure the safety of customer's information assets as well as our own.

Basic Approach and Policy

In providing solutions services, we recognize that proper handling of the information assets of private or corporate customers and our own information assets is essential in building and maintaining trust with our customers. For this purpose, we have established a basic policy on information security, defining the requirements in accordance with the established guidelines, and we are putting this policy into practice.

An information security management structure led by officers in charge of information security has been established for planning, execution and verification of measures to manage the secure and maximum utilization of information assets. In addition, we develop human resources with high ethical standards founded on awareness and our responsibility as an IT company.

We are working to ensure the proper protection and use of personal information based on our Personal Information Protection Policy.

 [Information Security Policy](https://www.cubesystem.co.jp/en/security/)
<https://www.cubesystem.co.jp/en/security/>

Management System (ISMS)

Based on laws, regulations and official guidelines on information security, we have established the Regulations on Confidential Information Management and the Information Security Guidelines that define the requirements and organizational management of information security at the Company and have managed our information security management system.

Information Security Management System

We have established an Information Security Policy and Information Security Guidelines for ongoing management of our groupwide security measures. As part of these efforts, in December 2003, we acquired certification under the Information Security Management System (ISMS) conformity assessment scheme and to the BS7799 standard. In February 2006, migration to ISO/IEC 27001 has been approved for continuing certification.

Information security management structure



Information security management structure

We have established a Security Promotion Committee for our information security management structure to conduct risk assessments for the entire organization, develop rules and regulations and review measures vis-à-vis internal and external risks.

Committee members have been selected from the managers of our various organizations, departments and offices for cross-sectoral activity.

Additionally, the Internal Control and Integrated Risk Management Committee, the supervisory body for the Committee, is responsible for reporting developments to top management and for deciding actions to be taken in the event of security risks and incidents.

Response to Incidents

Should a security incident occur, our actions to identify the cause and prevent any recurrence are determined by the incident rank in compliance with the information security guidelines.

Measures against Incidents

Response in the event of an incident	For response in the event of a security incident, a security-related reporting channel has been defined clearly for each division and department/office, to ensure swift reporting and response. We are required to report and respond promptly even when there is only a small risk of a security incident.
Measures against cyberattacks	In the event of a cyberattack, a dedicated response team takes swift action to minimize damage. Specifically, system measures are in place to give protection, including installation of virus detecting functions, hardware encryption, installation of IT management & control software (SKYSEA Client View), firewalls and two-step identity recognition. We conduct training on targeted email attacks so that we can respond quickly in the event of an attack.

Measures against cyberattacks

As security risks from external cyberattacks increase, we have established strict rules for changing passwords according to the password policy and for using web services such as cloud services. Ensuring groupwide compliance with these rules prevents information leaks as a result of unauthorized access and other similar breaches.

Information Security Training

We regularly conduct training based on our information security rules and recent developments in information security to raise employee awareness of information security.

In addition, we implement orientation training on security rules at our offices and project sites for new project members (including those from subcontractors).

Information Security and Compliance Handbook

To ensure information security and compliance, we have published a handbook to ensure comprehensive understanding and awareness of the rules.

We perform monthly checks across all relevant organizations and projects to ensure that they are operating in compliance with the rules. We update the Handbook each fiscal year in step with the emergence of new internal and external risks.

The Handbook is distributed to our employees and to all officers and subcontractors participating in our projects, to ensure that they are always aware of the content of the Handbook in the course of their work so that they can use it in the event of emergency, to ensure swift action and to maintain the necessary security level.

Handling Personal Information

We are protecting and using personal information obtained from business partners, shareholders, employees, etc., in accordance with our Personal Information Protection Policy. In handling personal information, we comply with relevant laws and official guidelines, with proper measures that limit the acquisition and use, and ban the use of the information for purposes other than the objectives.

Specific personal information including My Number (personal identification number) is handled safely and appropriately in accordance with our Personal Information Privacy Policy.

 [Personal Information Protection Policy](https://www.cubesystem.co.jp/en/privacy/)
<https://www.cubesystem.co.jp/en/privacy/>

Compliance

We regard compliance with laws and regulations as a top priority issue in business management and we work to improve and reinforce our compliance systems.

Additionally, we have established our own policy on human rights, so that our businesses are managed with attention given to the basic human rights of our employees, our business partners and all other stakeholders.

Basic Approach

We regard compliance as one of our most important management issues and we are committed to our comprehensive implementation as the base for our business management. Compliance is not only simple respect for and observation of laws and regulations but responding to the trust of all of our stakeholders.

We are committed to honesty, equity and transparency in our business activities through actions by each and every one of our self-reliant employees demonstrating respect for the values and ethics required of a good corporate citizen and member of society.

 **Basic Policy on Compliance**
<https://www.cubesystem.co.jp/en/csr/compliance/>

Compliance Initiatives

Internal whistleblowing system

We accept reports of misconduct or problems related to compliance from the internal whistleblowing office. In addition to

the existing reporting channel, we have established an internal whistleblowing system for swift reporting of misconduct, etc. via a third-party organization that functions as a whistleblowing counseling office. There was one report in FY2024. The counseling office has created a system for appropriate action on inquiries and reports regarding organizational or personal violation of laws, to promote early identification and correction.

Compliance Committee activities

The Compliance Committee arranges various activities each year for compliance training and for continuous improvements of all compliance activities.

In addition, employees from each division are appointed as compliance leaders in their respective departments to promote activities in the area.

Training and case study sharing for employees, organizational managers, and officers

We provide annual training, with a focus on Company-wide compliance training.

Distribution of legal affairs-related newsletters

The officer in charge of legal affairs regularly distributes a newsletter. This newsletter shares information on select work-related themes, including “contract types,” the “Economic Security Promotion Act,” and “confidentiality agreements.”

Compliance Manual

We publish our own Compliance Manual and Compliance Handbook as one of our compliance awareness activities for use in training programs, etc. The Compliance Committee reviews and revises these publications appropriately to improve our compliance activities.

Compliance comments box—Hotto Box

Our Hotto Box is a contact point through which employees can casually raise any whistleblowing concerns related to compliance issues. Employees can submit cases that they wish to consult on or ask questions about to Hotto Box using an internal communication tool, and a contact person responds to the issue after clarifying the facts. The response results are then reported to the poster. When possible, the issue may be included in training materials as a sample case. To ensure the confidentiality of the poster, the responsible persons are only appointed from employees of our Compliance Committee. Also,

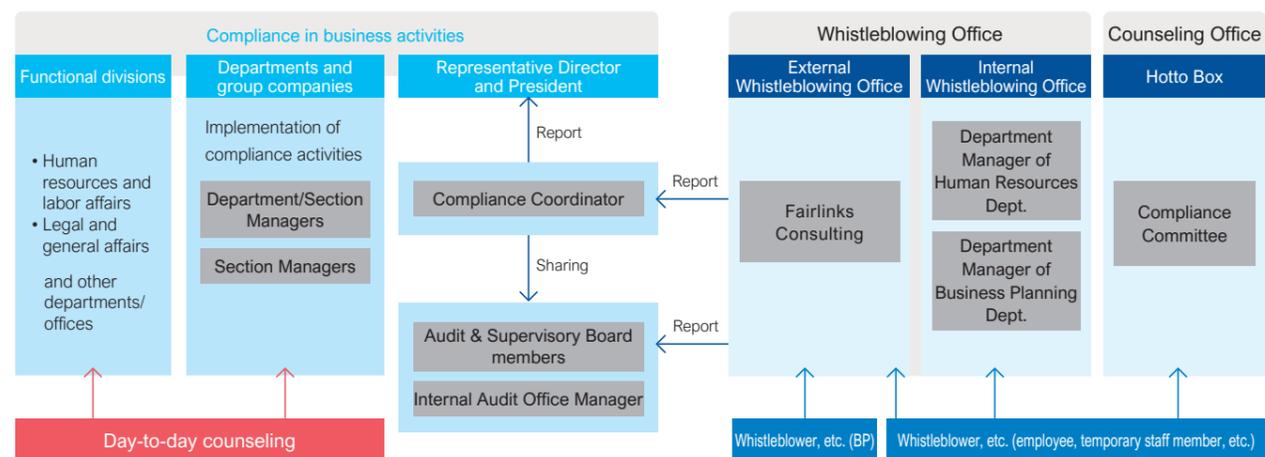
the poster can remain anonymous. This leads to Company-wide improvements in resolving compliance-related concerns. There were nine consultations in FY2024.

Initiatives Regarding Human Rights

We recognize that respect for human rights is the basis for sustainability management. In accordance with our Sustainability Management Basic Policy and in order to clarify our philosophy on human rights, we established a Human Rights Policy in November 2021 based on international standards and principles including the International Bill of Human Rights and the Guiding Principles on Business and Human Rights, to ensure that our businesses respect human rights. Under the policy of “support international norms on human rights and respect human rights in all our business activities,” we prohibit all forms of discrimination and never allow harassment. In addition, we do not condone forced labor in any form. To further ensure that respect for human rights is firmly established in our business, we plan to implement human rights due diligence for ourselves and our group companies. We are committed to making continued improvements in this area.

 **Human Rights Policy**
https://www.cubesystem.co.jp/en/csr/human_rights/

Compliance counseling and action flow



Hotto Box consulting flow

