(English Translation)
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In the event of any discrepancy, the Japanese version prevails.

Corporate Governance Report

Last Update: July 1, 2026

ZUKEN Inc.

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This report explains the corporate governance framework of ZUKEN Inc.

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

1. Basic Views

The basic stance is that corporate governance is a framework for the purposes of responding with speed and agility to a business climate that is changing rapidly and of conducting sound business activities that are proper and comply with laws and regulations.
In addition, Zuken will continue to focus on building a corporate governance framework, centered on the Board of Directors, Audit & Supervisory Board members and the Audit & Supervisory Board, that is suitable with respect to the current size of business operations, the characteristics of business operations and other considerations.

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

Zuken implements each principle of the Corporate Governance Code.

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

[Principle 1.4]
Zuken holds the stock of other companies for the purpose of establishing and strengthening long-term and stable relationships that can contribute to the medium and long-term growth of corporate value. For these holdings, Zuken confirms that the purpose of holding the stock is proper and that the benefits and risk are consistent with the cost of capital. Based on this policy, Zuken holds only the stocks of companies with which it has business transactions and, to collect information, the stocks of financial institutions. Information about these holdings is in the Securities Report.
Decisions about votes involving the stocks of other companies are based on benefits for Zuken and contributions to the growth of corporate value of these companies, both from a medium to long-term perspective.

[Principle 1.7]
Internal regulations state that related party transactions must be approved by the Board of Directors. For these resolutions, the quorum of directors excludes director(s) involved as a special interested person. In addition, Zuken performs periodic examinations of directors and Audit & Supervisory Board members to determine if there are any related party transactions and the nature of these transactions.

[Supplementary Principle 2.4.1]
Zuken understands that the diversity of viewpoints and values contributes to the growth of companies.
Personnel are assigned to the most suitable jobs regardless of gender or nationality.
Based on this policy, women are assigned to management positions without the establishment of a numerical

target for female managers. To maintain an environment where people can do their jobs with no concerns, Zuken provides time off for childbirth and child raising, support for returning to work, reduced working hours, and other programs. In addition, Zuken is actively engaged in the use of remote work.
The policy of assigning people to the most suitable jobs and locations also applies to non-Japanese employees, who fill many senior executive positions at overseas subsidiaries. Non-Japanese individuals already account for more than 30% of the directors and other officers at overseas subsidiaries. Zuken intends to hold this percentage at a point that at least does not fall below the current level.
The policy of assigning people to the most suitable jobs and locations also applies to individuals who are hired with experience working at one or more other companies. Zuken places many of these individuals in management positions and they currently account for about 30% of managers. Zuken intends to hold this percentage at a point that at least does not fall below the current level.
For training and the development of skills, Zuken places people in jobs that are best suited to the skills and characteristics of each individual. For the utilization and management of a diverse workforce, there are also training programs for personal character and compliance.

[Principle 2.6]
Zuken does not have a defined benefit pension plan.

[Principle 3.1]
Zuken understands that the disclosure of information in accordance with laws and regulations as well as the voluntary disclosure of other information is important for the effectiveness of corporate governance. Based on this stance, Zuken conducts for the following activities.
(i) Information about the corporate philosophy and medium-term business plans is posted on the Zuken website.
(ii) Information about the basic stance concerning corporate governance is in the corporate governance report and Securities Report.
(iii) Directors receive fixed remuneration and remuneration linked to results of operations (outside directors receive only fixed remuneration). Under the supervision of the Board of Directors, fixed remuneration is determined by rules for remuneration of directors based on each director’s position at Zuken. Performance-linked remuneration is based on Zuken’s sales and earnings and the accomplishments of each director. This remuneration is determined by the mutual agreement of the two representative directors while taking into account the report of the Nomination and Remuneration Committee. Remuneration for the Audit & Supervisory Board members is determined by discussions among the Audit & Supervisory Board members.
(iv) To select candidates for election as directors and Audit & Supervisory Board members, based on the policy of placing people with the right skills in the right positions, thorough interviews, examinations and other activities are used to determine if individuals have suitable knowledge, experience, skills and character to become a director or Audit & Supervisory Board member.
(v) Notices of annual shareholders meetings include the reasons for the selection and dismissal of candidates and/or the backgrounds of candidates in order to ensure that shareholders can adequately understand why the candidates were selected.

[Supplementary Principle 3.1.3]
The corporate philosophy of Zuken is “the establishment of a healthy, vigorous and dignified corporate culture.” Based on this philosophy, Zuken is using software technologies acquired over many years for making design and manufacturing processes more efficient in order to provide solutions to manufacturers worldwide. Zuken strives to sustainably increase corporate value by contributing to progress and technological innovation in many industries.

The development of software requires the recruitment of skilled individuals and the ability to keep up with the rapid progress in the field of technologies involving software. Zuken will continue to make investments actively in human resources, intellectual property and other items for software development activities.
Zuken is collecting and analyzing necessary data relating to climate change, while climate change is not of a direct and significant effect concerning the operations of Zuken, which are primarily the development and sale of software. Zuken will continue to upgrade the disclosure of information in a manner that reflects the business climate, changes in society and other changes. More information about this subject is on the Zuken website.

[Supplementary Principle 4.1.1]
Zuken delegates authority to managers in accordance with rules of the Board of Directors, rules for the organization and division of responsibilities, rules for authority for business operations, and other internal rules. Authority delegated to the Board of Directors, representative directors, directors, business unit managers, and division managers for giving orders, making decisions, granting approvals and other activities is clearly defined.

[Principle 4.9]
The policy for determining the independence of outside directors and outside Audit & Supervisory Board members is to base this decision on whether or not there is a risk of a conflict of interest with ordinary shareholders. Based on this policy, outside directors and outside Audit & Supervisory Board members are judged to not be independent if any of the following items is applicable.
1. An individual conducting significant transactions with Zuken or a subsidiary or an executive of a company with such significant transactions
2. A major client of Zuken or a subsidiary or an executive of a company that is a major client or supplier
3. A consultant, accountant or legal professional who receives payments or other items of value totaling at least 10 million yen from Zuken or a subsidiary (or one of these professionals who belongs to a company, organization or other entity that receives this remuneration), excluding director or Audit & Supervisory Board member remuneration
4. An individual where any of the preceding three items was applicable within the past five years
5. A spouse or relative (first or second degree) of an individual (only individuals in an executive position) where any of the first three items is applicable
6. A spouse of first or second degree relative of a director (includes directors who are not Zuken executives in the case of outside Audit & Supervisory Board members designated as an independent Audit & Supervisory Board member) or important employee of Zuken or a subsidiary
7. An individual where the preceding item 5 or 6 was applicable during the past year

Note: "Significant transactions" (item 1) are defined as payments by one entity to Zuken or a subsidiary that are equivalent to at least 5% of consolidated sales of the entity in the most recent fiscal year. A "major client" (item 2) is defined as an entity that received payments from Zuken or a subsidiary that are equivalent to at least 5% of consolidated sales of Zuken in the most recent fiscal year.

[Principle 4.10.1]
Zuken uses the company with an Audit & Supervisory Board. The Board of Directors includes two independent outside directors and there is a Nomination and Remuneration Committee where all members are independent outside directors that serves as an advisory body to the Board of Directors. This framework facilitates the suitable involvement and advice by the independent outside directors concerning nominations of director candidates, remuneration of directors and other items.

[Supplementary Principle 4.11.1]
For the purpose of placing the right people in the right positions, Zuken selects director candidates in a

manner that achieves the proper balance concerning extensive experience, knowledge and skills about sales, technology, administration, overseas operations and other aspects of business operations. Another priority is selecting individuals with outstanding character. For the selection of candidates for election as new directors, thorough interviews and other activities are used while placing emphasis on the selection of individuals who can contribute to the growth of Zuken's corporate value.
Zuken believes that all directors have knowledge, experience and skills concerning the above categories that are required with respect to Zuken's management strategies.

[Supplementary Principle 4.11.2]
Zuken discloses information about concurrent positions of directors and Audit & Supervisory Board members in notices of shareholder meetings and in corporate governance reports. The attendance ratio of Zuken directors and Audit & Supervisory Board members (including outside directors and members) at meetings is extremely high. Zuken believes that these individuals are allocating the required amount of time and energy for performing their roles and duties properly.

[Supplementary Principle 4.11.3]
All Zuken directors perform a self-assessment of their performance by using interviews with Audit & Supervisory Board members and other activities. These activities are also used to analyze and evaluate the overall effectiveness of the Board of Directors.
Zuken believes that the Board of Directors is currently sufficiently effective.

[Supplementary Principle 4.14.2]
Zuken selects as candidates for election as directors and Audit & Supervisory Board members individuals with outstanding knowledge, experience and skills as well as excellent character. After their election, these individuals continue to upgrade their skills on their own, as a rule. For the latest trends in legal, financial and other matters, these individuals improve their knowledge by attending Zuken seminars for directors and Audit & Supervisory Board members and external seminars.

[Principle 5.1]
Zuken has the following policy for the purpose of conducting constructive dialogues with shareholders.
The Representative Director and President oversees all dialogues with shareholders. Under the President's supervision, Representative Director and Executive Vice President oversees the seamless collaboration of the General Affairs (including legal affairs), Finance and Corporate Marketing Department in order to expand and upgrade investor relations activities. In addition, constructive opinions and other feedback from shareholders is reported as needed to the directors and Audit & Supervisory Board members.
To ensure fairness for all shareholders when conducting dialogues with shareholders, these dialogues are strictly managed in accordance with laws and regulations and internal rules concerning insider information.

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

Content of Disclosure	Disclosure of initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	December 19, 2025

Explanation of Actions

Distributing profits to shareholders is one of the highest management priorities of Zuken. While maintaining a sound financial position, Zuken provides stable dividends based on business performance and the operating conditions. Zuken also implements effective shareholder return measures, such as share buybacks, as appropriate.

Zuken has adopted dividend on equity ratio (DOE)* as an indicator for dividend payments. The guideline is to pay fiscal year dividends that are at least 5.0% of consolidated shareholders' equity at the beginning of each fiscal year. * DOE: Dividends on Equity = Dividends / Shareholders' Equity (at the beginning of the period) Please refer to Medium-term Business Plan posted on the Zuken website for Zuken's actions to implement capital cost and stock price conscious management. https://ir.zuken.co.jp/en/policy/mid-term/

2. Capital Structure

Foreign Shareholding Ratio	More than 30%

[Status of Major Shareholders] Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
Kaneko Makoto Holdings Co., Ltd.	2,840,091	13.47
Makoto Kaneko	2,226,531	10.56
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,990,900	9.44
Custody Bank of Japan, Ltd. (Trust Account)	1,263,800	5.99
JP MORGAN CHASE BANK 385839	870,047	4.12
Nippon Life Insurance Company	723,205	3.43
Fusao Wada	660,000	3.13
THE CHASE MANHATTAN BANK, N.A. LONDON SPECIAL ACCOUNT NO.1	634,866	3.01
Mineko Kaneko	580,352	2.75
STATE STREET BANK AND TRUST COMPANY 505103	411,601	1.95

Controlling Shareholder (Except for Parent Company)	-
Parent Company	None

Supplementary Explanation Updated

1. Status of major shareholders is based on information as of March 31, 2026. The 1,174,038 treasury shares held by Zuken are excluded from this list of major shareholders.
2. Artisan Investments GP LLC submitted a large shareholding report on October 7, 2025 to the Director of the Kanto Finance Bureau. According to this report, this company held 1,803 thousand shares of Zuken stock (8.11% of all shares issued) as of September 30, 2025. This shareholding is not included in this list of major shareholders because Zuken was unable to confirm the number of shares effectively held by this company as of March 31, 2026.

3. Corporate Profile

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-end	March
Type of Business	Electronic design automation software
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Sales (Consolidated) as of the End of the Previous Fiscal Year	¥10 billion or more and less than ¥100 billion

Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

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

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

The Zuken Group is a provider of the best possible solutions for next-generation manufacturing processes by directly targeting the key issues at manufacturers worldwide. The goal is to use the provision of these solutions for more growth of corporate value. Zuken adequately shares with subsidiaries its vision concerning manufacturing and its corporate governance framework. Subsidiaries report important information concerning management to Zuken, undergo confirmations of internal controls and use other activities for ensuring the effectiveness of the governance infrastructure for the Zuken Group. Business Engineering Corporation, an affiliate of Zuken, is listed on the Tokyo Stock Exchange Prime Market. This company provides IT support for the manufacturing operations of client companies by designing, developing and selling enterprise resource planning (ERP) systems and providing assistance for the use, operation and maintenance of these systems. Business Engineering manages operations independently based on its self-reliance as a listed company while utilizing the strengths of the Zuken Group. In addition, this company will retain its stock market listing because this form of independent management is expected to contribute to increasing the value of the ZUKEN Group.

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 the Audit & Supervisory Board

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	11
Term of Office Stipulated in Articles of Incorporation	2 years
Chairperson of the Board	Chairman (except for concurrently serving as President)
Number of Directors	5
Election of Outside Directors	Yes
Number of Outside Directors	2
Number of Independent Outside Directors	2

Outside Directors' Relationship with Zuken (1) Updated

Name	Attribute	Relationship with Zuken*										
		a	b	c	d	e	f	g	h	i	j	k
Wakana Takahara	Attorney											
Arihiro Takanohashi	From another company											

* Categories for "Relationship with Zuken"

* "○" when the director presently is currently or was recently in the category;
"△" when the director was in the category in the past

* "●" when a close relative of the director presently is currently or was recently in the category;
"▲" when a close relative of the director was in the category in the past

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

Outside Directors' Relationship with Zuken (2) Updated

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Wakana Takahara	○	-	Ms. Takahara has professional knowledge and experience as an attorney that were acquired over many years. She can use her objective and neutral perspective for the oversight of management. Ms. Takahara does not fall under any of the above categories. As a result, there is no risk of a conflict of interest with ordinary shareholders.
Arihiro Takanohashi	○	-	Mr. Takanohashi has a wealth of experience as a top corporate management as well as professional knowledge and experience in financial strategy and corporate valuation gained through investment banking at a securities firm. He can use his objective and neutral perspective for the oversight of management. Mr. Takanohashi does not fall under any of the above categories. As a result, there is no risk of a conflict of interest with ordinary shareholders.

Voluntary Establishment of a Committee Corresponding to Nomination Committee or Remuneration Committee	Established

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination and Remuneration Committee	Nomination and Remuneration Committee
All Committee Members	2	2
Full-time Members	0	0
Inside Directors	0	0
Outside Directors	2	2
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

The Nomination and Remuneration Committee, where all members are independent outside directors, is an advisory body to the Board of Directors involving matters concerning nominations and remuneration. This committee increases the objectivity and transparency of the process used for determining nominations and remuneration.

[Audit & Supervisory Board Members]

Establishment of the Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	3

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and the Internal Audit Department

Cooperation between Audit & Supervisory Board Members and the Accounting Auditor
Zuken has an auditing contract with KPMG AZSA LLC. Results of audits by this firm are reported and explained by the accounting auditor at meetings of the Audit & Supervisory Board. There are discussions concerning the status of risk, upcoming issues and other subjects and a question and answer session. In addition, Audit & Supervisory Board members and the accounting auditor share opinions, hold discussions and work together in other ways at other times as needed. These activities maintain mutual communications and enable audits to be performed properly.

Cooperation between Audit & Supervisory Board Members and the Internal Audit Department
The Internal Audit Department, which is supervised directly by the President, is responsible for performing internal audits. Results of internal audits are reported and explained to Representative Directors or at meetings of the Audit & Supervisory Board and the Board of Directors. In addition, Representative Directors, members of the Audit & Supervisory Board and the Board of Directors and members of the Internal Audit Department share opinions, hold discussions and work together in other ways at other times as needed. These activities maintain mutual communications and enable audits to be performed properly.

Election of Outside Audit & Supervisory Board Members	Yes
Number of Outside Audit & Supervisory Board Members	2
Number of Independent Audit & Supervisory Board Members	2

Outside Audit & Supervisory Board Members’ Relationship with Zuken (1)

Name	Attribute	Relationship with Zuken*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Yasutoyo Takada	From another company										△			
Etsuko Kawaguchi	Certified public accountant													

* Categories for “Relationship with Zuken”

* “○” when the Audit & Supervisory Board member presently is currently or was recently in the category;
“△” when the Audit & Supervisory Board member was in the category in the past

* “●” when a close relative of the Audit & Supervisory Board member presently is currently or was recently in the category;
“▲” when a close relative of the Audit & Supervisory Board member was in the category in the past

a. Executive of Zuken or its subsidiary
b. Non-executive director or accounting advisor of Zuken or its subsidiaries
c. Non-executive director or executive of a parent company of Zuken
d. Audit & Supervisory Board member of a parent company of Zuken
e. Executive of a fellow subsidiary company of Zuken
f. A party whose major client or supplier is Zuken or an executive thereof
g. Major client or supplier of Zuken or an executive thereof

h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from Zuken besides compensation as a director/Audit & Supervisory Board member
i. Major shareholder of Zuken (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of Zuken (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board member himself/herself only)
k. Executive of a company, between which and Zuken 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 Zuken (the Audit & Supervisory Board member himself/herself only)
m. Others

Outside Audit & Supervisory Board Members' Relationship with Zuken (2) Updated

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Yasutoyo Takada	○	<Qualifications as outside Audit & Supervisory Board member> Mr. Takada was a Managing Executive Officer at Nippon Life Insurance Company, which has a business relationship with Zuken. This relationship involves insurance and the outsourcing of related administrative tasks. These transactions are extremely negligible in relation to the size of Zuken and Nippon Life Insurance.	Mr. Takada has many years of experience at Nippon Life Insurance. He has knowledge and experience involving asset management, risk management and other activities as well as involving corporate management. Mr. Takada can use an objective and neutral perspective for the oversight of management. In addition, there is no risk of a conflict of interest with ordinary shareholders because Zuken does not have a significant business relationship with Nippon Life Insurance.
Etsuko Kawaguchi	○	-	Ms. Kawaguchi has a wealth of professional knowledge and experience on corporate accounting as a certified public accountant, cultivated over many years through her works for establishing internal control systems and supporting internal audit. Ms. Kawaguchi can use an objective and neutral perspective for the oversight of management. In addition, there is no risk of a conflict of interest with ordinary shareholders because Ms. Kawaguchi does not fall under any of the above categories.

[Independent Directors/ Audit & Supervisory Board Members]

Number of Independent Directors/Audit and Supervisory Board Members	4

Matters relating to Independent Directors/Audit and Supervisory Board Members

All Outside Directors/Audit & Supervisory Board members who qualify as Independent Directors/Audit & Supervisory Board members are designated as such.

[Incentives]

Incentive Policies for Directors	Performance-linked remuneration

Supplementary Explanation Updated

In addition to fixed remuneration, directors receive performance-linked remuneration as an incentive. Total variable remuneration can be no more than 2.5% (maximum of 80 million yen) of consolidated ordinary profit in the previous fiscal year.
The indicator used for performance-linked remuneration is consolidated ordinary profit, which shows the Zuken Group's earnings from consistent sources. Although there is no specific target, for the fiscal year that ended in March 2026, ZUKEN announced on May 12, 2025 a forecast of 6,300 million yen for consolidated ordinary profit and the actual figure was 7,133 million yen.

Recipients of Stock Options	

Supplementary Explanation

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[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Individual remuneration is not disclosed.

Supplementary Explanation Updated

The remuneration of directors and Audit & Supervisory Board members in the fiscal year that ended in March 2026 was as follows.
Directors (5): 242 million yen
Audit & Supervisory Board members (4): 19 million yen

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Zuken has policies for determining the amount of remuneration for directors and Audit & Supervisory Board members and the method for calculating this remuneration.
The policy for determining remuneration for individual directors is as follows.
(i) Basic policy

The goal of remuneration for directors is to use remuneration linked to shareholder value in order to enable remuneration to function adequately as an incentive for the consistent growth of corporate value. For the determination of the remuneration of individual directors, the basic policy is to set remuneration at a proper level in relation to the executive positions, responsibilities and other characteristics of these directors' jobs. As a result, directors receive fixed remuneration and remuneration linked to sales and earnings. However, due to the nature of their responsibilities, outside directors receive only fixed remuneration.

(ii) Policy for basic (fixed) remuneration (including the policy for determining the timing and terms of remuneration)

Basic (fixed) remuneration for directors is paid every month and is determined in accordance with rules for the remuneration of directors.

(iii) Policy for performance-linked remuneration (including the policy for determining the timing and terms of remuneration)

Performance-linked remuneration is a payment that reflects performance indicators for the purpose of increasing the commitment of directors to increase sales and earnings in every fiscal year. A bonus calculated by using consolidated ordinary profit in the previous fiscal year is paid once every year at a designated time. There is no non-monetary remuneration.

(iv) Policy for determining the percentages of fixed and performance-linked remuneration

A suitable composition of remuneration divided between fixed and performance-linked remuneration is determined while taking into account the need for balance between these two types of remuneration to enable this remuneration to function adequately as an incentive for the consistent growth of corporate value.

(v) Determination of remuneration for individual directors

Fixed remuneration is determined in accordance with rules for the remuneration for directors. Performance-linked remuneration is determined by mutual agreement of the two representative directors in accordance with results of operations and after taking into consideration the report of the Nomination and Remuneration Committee, which consists of outside directors.

The amount of remuneration for each Audit & Supervisory Board member is determined by the mutual agreement of these members.

Resolutions at shareholders meetings concerning the remuneration of directors and Audit & Supervisory Board members are as follows.

・The maximum aggregate annual fixed remuneration of directors is 320,000 thousand yen (maximum of 20,000 thousand yen for outside directors; these limits do not include salaries paid to directors who are Zuken employees), based on a resolution approved at the shareholders meeting held on June 27, 2014. At the same meeting, shareholders approved a limit for aggregate annual variable remuneration of 2% of consolidated ordinary profit in the previous fiscal year (but no more than 50,000 thousand yen). Outside directors receive only fixed remuneration. At the end of the shareholders meeting held on June 27, 2014, there were nine directors, including one outside director. At the shareholders meeting held on June 26, 2020, shareholders approved a resolution to change the limit for variable remuneration to 2.5% of consolidated ordinary profit in the previous fiscal year (but no more than 80,000 thousand yen). At the end of this shareholders meeting, there were 10 directors, including two outside directors.

・At the shareholders meeting held on January 30, 1990, shareholders approved a resolution to limit the aggregate annual remuneration of corporate auditors (Audit & Supervisory Board members) to 30,000 thousand yen. At the end of this shareholders meeting, there were three corporate auditors.

[Supporting System for Outside Directors (Outside Audit & Supervisory Board Members)]

The secretariat for Audit & Supervisory Board members in the General Affairs Division provides information and documents to outside members, assists with administrative communications, and provides support in other ways. As needed, outside Audit & Supervisory Board members receive materials in advance about agenda items and resolutions at meetings of the Board of Directors and Audit & Supervisory Board and receive explanations of these items and resolutions.

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

Zuken conducts efficient and fair business operations and performs strict audits and other oversight, centered on the Board of Directors, Audit & Supervisory Board members and Audit & Supervisory Board, while maintaining communications with the accounting auditor and the Internal Audit Department.

The Board of Directors reaches decisions about resolutions concerning the basic policy for management, important items, and items that require discussions and decisions by the Board of Directors in accordance with laws, regulations and the Articles of Incorporation. These activities facilitate quick decision-making and the strict supervision of management. In addition, responsibilities and authority for conducting business operations are clearly defined based on internal rules concerning the supervision of specific organizational units and businesses and authority involving business activities. The Board of Directors and other units oversee progress concerning business activities and results of operations by receiving periodic reports from the business unit managers and examining and discussing these reports. These activities give Zuken an organizational and efficient framework for business operations. The Board of Directors holds a meeting generally every month. In the fiscal year that ended in March 2026, attendance at these meetings is as follows.

Chairman and CEO	Makoto Kaneko	11 out of a total of 12 meetings	
President and COO	Jinya Katsube	12 out of a total of 12 meetings	
Representative Director and Executive Vice President	Yoshikazu Soma	12 out of a total of 12 meetings	
Director	Takashi Sano	12 out of a total of 12 meetings	(Note 1)
Director	Wakana Takahara	12 out of a total of 12 meetings	
Full-time Audit & Supervisory Board Member	Fusao Wada	12 out of a total of 12 meetings	
Audit & Supervisory Board Member	Takashi Handa	3 out of a total of 3 meetings	(Note 2)
Audit & Supervisory Board Member	Yasutoyo Takada	12 out of a total of 12 meetings	
Audit & Supervisory Board Member	Etsuko Kawaguchi	9 out of a total of 9 meetings	(Note 3)

(Notes) 1. Mr. Sano retired at the end of the Ordinary General Meeting of Shareholders held on June 26, 2026.
2. Mr. Handa retired at the end of the Ordinary General Meeting of Shareholders held on June 27, 2025.
3. The number of meetings and meetings attended is for the period after her appointment at the Ordinary General Meeting of Shareholders held on June 27, 2025.

All Audit & Supervisory Board members and the Audit & Supervisory Board perform audits of the performance of the directors and the overall business operations of the Zuken Group. Based on audit policies and plans approved by the Audit & Supervisory Board, these board members attend important meetings, examine the management and business operations of the Zuken Group, meet with managers, and use other activities to perform audits properly.

The Internal Audit Department, which is responsible for internal audits, performs periodic internal audits of accounting activities, business operations and other activities in accordance with auditing policies specified in the audit plan.
Zuken has used KPMG AZSA LLC as the accounting auditor every year for 39 years in order to receive fair accounting audits from an independent perspective. In the fiscal year that ended in March 2026, this audit was performed by certified public accountants (designated limited liability partners, engagement partners) Osamu Takagi and Shunya Terade, who are employed by KPMG AZSA. 12 certified public accountants and 42 others assisted with the accounting audit of Zuken.
Information about measures to strengthen the functions of the Audit & Supervisory Board members is in "Cooperation among Audit & Supervisory Board Members, Accounting Auditors and the Internal Audit Department" and "Election of Outside Audit & Supervisory Board Members."

3. Reasons for Adoption of Current Corporate Governance System

Zuken has a corporate governance system that is centered on the Board of Directors, the Audit & Supervisory Board members and the Audit & Supervisory Board. The performance of the Board of Directors is supervised and monitored from an external standpoint by the outside directors and outside Audit & Supervisory Board members. In addition, the Audit & Supervisory Board receives reports from the directors concerning how businesses are operated and submits questions to the directors. The Audit & Supervisory Board members and Audit & Supervisory Board also cooperate with the accounting auditor and Internal Audit Department. All these activities are aimed at strengthening the auditing function. Furthermore, there is a Nomination and Remuneration Committee for the purpose of increasing the objectivity and transparency of the process for reaching decisions about nominations and remuneration. Consequently, Zuken uses the current corporate governance system because this framework can adequately facilitate the supervision and monitoring of management from an objective and neutral perspective.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	Zuken is committed to sending out the shareholders meeting notice as early as possible so that shareholders have sufficient time to consider the proposals of the general meeting. The notification for the 50th General Meeting of Shareholders held on June 26, 2026 was sent out on June 5, 2026, four business days earlier than the statutory period. The electronic provision of the shareholders meeting notice was started on Zuken's website and the Tokyo Stock Exchange's website on May 29, 2026.
Allowing Electronic Exercise of Voting Rights	Shareholders can use the Internet to submit votes.
Participation in Electronic Voting Platform and Other Measures for Greater Ease of Voting by Institutional Investors	The Electronic Voting Platform operated by ICJ, Inc. is used.
Providing Shareholders Meeting Notice (summary) in English	An English-language summary of the shareholders meeting notice was posted on the Zuken website on May 29, 2026, which was the same day the Japanese-language notice was posted.
Other	The notice of the shareholders meeting and informational materials for the General Meeting of Shareholders was posted on the Zuken website on May 29, 2026. The securities report was disclosed on June 19, five business days prior to the General Meeting of Shareholders.

2. IR Activities Updated

	Supplementary Explanations	Presentation by President
Regular Investor Briefings for Analysts and Institutional Investors	Zuken holds a face-to-face information meeting about the medium-term business plan in July and December each year.	Yes
Posting of IR Materials on Website	Zuken provides quarterly financial reports and other timely disclosure materials, securities reports, business reports and press releases. https://ir.zuken.co.jp/en/ Zuken prepares and provides English-language quarterly financial reports, other timely disclosure materials, the medium-term business plan and other materials. https://ir.zuken.co.jp/en/ir/	
Establishment of Department and/or Manager in Charge of IR	The Corporate Marketing Department is responsible for investor relations activities with the cooperation of Finance Division and General Affairs Division.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Environmental, CSR and Other Activities	The primary business of Zuken is the provision of solutions consisting mainly of software and services. No hazardous materials are used or released to the environment. Zuken is constantly taking actions to upgrade activities concerning social and environmental problems, such as by sorting and properly disposing of waste materials, increasing the recycling of these materials, using LED lights, and installing HVAC systems that use less electricity. Zuken has a website for the provision of information about sustainability. URL: https://ir.zuken.co.jp/en/policy/sustainability/
Other	Twice every year, Zuken distributes a business report to shareholders. The purpose is to give all stakeholders a better understanding of the business and other activities of Zuken. These reports are posted on the Zuken website to make the report accessible to as many people as possible. For investors and customers outside Japan, Zuken prepares English-language reports about results of operations, timely disclosure information and corporate governance reports. Zuken directors and Audit & Supervisory Board members consist of six men and two women. Zuken will continue to select people with outstanding skills and character, irrespective of gender, for election as directors and Audit & Supervisory Board members.

IV. Matters Related to the Internal Control System

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

The establishment of a sound, vigorous and dignified corporate culture is the corporate philosophy of Zuken. Sound means having many highly advanced technologies and a strong balance sheet. Vigorous means maintaining a young workforce for more progress in the future and the use of this energy for the willingness to take on new challenges. Dignified means operating in accordance with sound values and high ethical standards as a company and as a member of society. These characteristics form the guidelines for all activities of the Zuken Group. Zuken will maintain a powerful system of internal controls in accordance with this corporate philosophy and the basic policy for corporate governance.

Internal controls at Zuken are as follows.

1. There is a compliance framework that includes the establishment and distribution to employees of rules and guidelines, education and training programs, periodic internal audits, and other activities.
2. Documents and other information about conducting business operations in accordance with internal rules and guidelines are properly stored and managed.
3. There is an effective risk management framework that includes risk assessments and reviews as needed, the establishment and distribution to employees of rules and guidelines, education and training programs, and other activities.
4. Business operations are conducted efficiently due to quick decisions by the Board of Directors, the establishment of clear responsibilities and authority for operating businesses based on internal rules, periodic reports and studies about progress with business operations and results of operations, and other items.
5. There is an internal control system for the entire Zuken Group that includes the establishment of rules for the oversight of group companies, the joint establishment of a proper system of internal controls that matches the size and activities of each group company, and other items.
6. There is a sound framework in place for performing audits. The secretariat for the Audit & Supervisory Board provides assistance to board members, there is a framework for executives and employees to submit reports to the Audit & Supervisory Board members, these members meet periodically with the representative directors, and there are communications and cooperation between the Audit & Supervisory Board members and the accounting auditor and the Internal Audit Department.

2. Basic Views on Eliminating Anti-Social Forces

Zuken's basic policy is to refuse to have any association with anti-social forces and to reject all business relationships with anti-social forces.
Based on this policy, the General Affairs Division, which is responsible for overseeing matters involving anti-social forces, maintains close relationships with the police and other external organizations. This division collects and manages information about anti-social forces, prepares a manual for dealing with anti-social forces, and performs other activities for the maintenance of a framework for preventing any relationship with anti-social forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted

Supplementary Explanation

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2. Other Matters Concerning Corporate Governance System

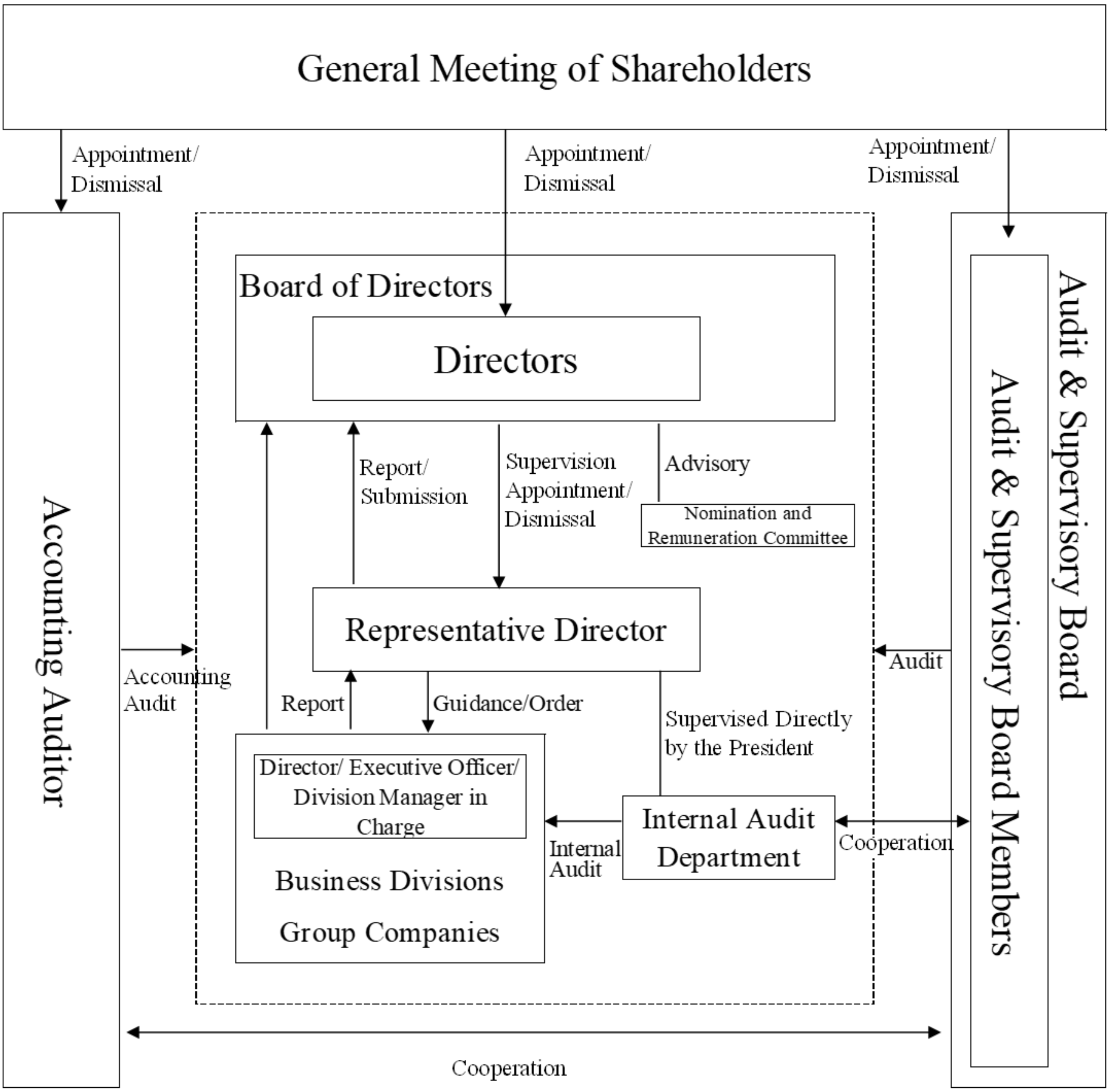
To continue upgrading corporate governance, Zuken will take actions for invigorating the implementation of governance systems, strengthening governance functions, and making other improvements involving management and administrative systems.

Summary of the timely disclosure system
Zuken discloses corporate information in a timely and appropriate manner in accordance with the Financial Instruments and Exchange Act, other laws and regulations, the timely disclosure rules of securities exchanges, and other rules, and under the supervision of Representative Director and Executive Vice President responsible for handling information. Disclosure activities are primarily the responsibility of the General Affairs Division, Corporate Marketing Department and Finance Division. Corporate information is disclosed by using the following frameworks depending on the type of information that is disclosed.

1. Information about decisions
The Board of Directors, which meets regularly or at other times, makes decisions about the disclosure of information about significant decisions. The decision about whether or not to disclose this information is overseen by personnel responsible for handling information and includes an examination by the General Affairs Division. If disclosure of the information is needed, the Board of Directors approves disclosure and the information is then promptly disclosed.

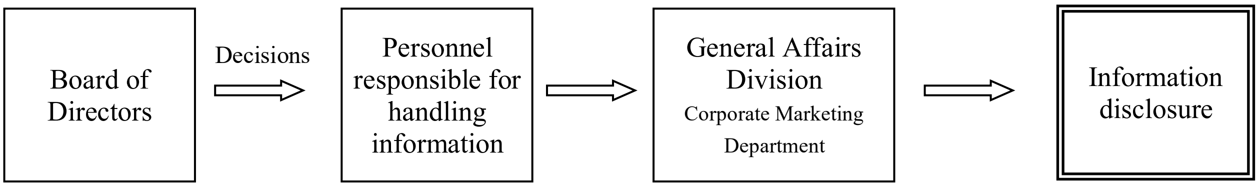
2. Information about events and about subsidiaries
When a significant event occurs, the General Affairs Division quickly collects information about the event from the divisions or group companies involved and reports the information to personnel responsible for handling information. The same process is used for information collection and reporting for important decisions, significant events, financial information and other information involving subsidiaries. The decision about whether or not to disclose this information is overseen by personnel responsible for handling information and includes an examination by the General Affairs Division. If disclosure of the information is needed, the Representative Director and President is notified and the information is then promptly disclosed.

3. Financial information
Fiscal year financial information is approved by the Board of Directors after the Finance Division has determined sales, earnings and other data and the accounting auditor has completed the audit of this information. Under the supervision of personnel responsible for handling information, the approved financial information is then promptly disclosed. The Finance Division prepares quarterly financial information that is disclosed after the quarterly information has been reported to the Board of Directors.
Decisions about whether or not to disclose revisions of forecasts of results of operations, which are a type of financial information, are based on studies by the Finance Division under the supervision of personnel responsible for handling information. If disclosure of the information is needed, the Representative Director and President is notified and the information is then promptly disclosed.

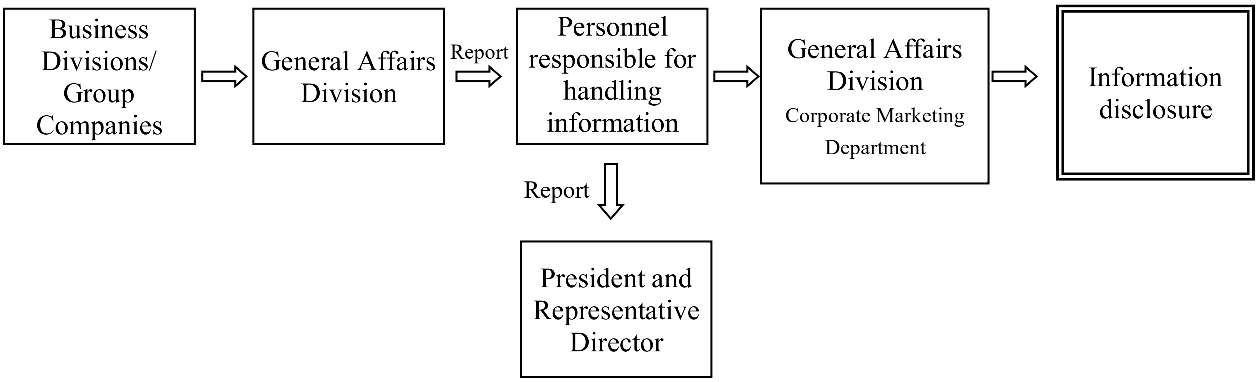

General Meeting of Shareholders
Appointment/ Dismissal
Appointment/ Dismissal
Appointment/ Dismissal
Accounting Auditor
Board of Directors
Directors
Report/ Submission
Supervision Appointment/ Dismissal
Advisory
Nomination and Remuneration Committee
Representative Director
Accounting Audit
Audit
Report
Guidance/Order
Supervised Directly by the President
Director/ Executive Officer/ Division Manager in Charge
Business Divisions
Group Companies
Internal Audit
Internal Audit Department
Cooperation
Audit & Supervisory Board
Audit & Supervisory Board Members
Cooperation

Timely Disclosure System

1. Information about decisions



2. Information about events and about subsidiaries



3. Financial information