

Corporate Governance Report

CORPORATE GOVERNANCE

FINDEX Inc.

Latest Revision:	March 27, 2026
Company:	FINDEX Inc.
Representative:	Teruo Aibara, President & CEO
Contact:	Takahiro Yazawa, Director, Finance & Investor Relations
TSE Code:	3649 https://findex.co.jp/en/

The corporate governance of FINDEX Inc. (the “Company”) is described below.

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

1. Basic Views

The Company regards corporate governance as a management governance function to maximize corporate value for stakeholders and recognizes that strengthening corporate governance is an important management responsibility.

In order to respond appropriately and flexibly to changes in economic conditions and the market environment, the Company will strive to strengthen corporate governance by enhancing the functions of the Board of Directors, monitoring and supervising business execution, and further bolstering internal controls, while endeavoring to disclose timely and appropriate information to stakeholders, respecting the rights of shareholders, and improving Total Shareholders Return.

Reasons for Not Implementing the Principles of the Corporate Governance Code

[Supplementary Principle 4.8.2 – The Effective Utilization of Independent Outside Directors]

Each Independent Outside Director possesses high-level expertise and extensive experience, and is expected to provide advice from an independent standpoint. The Company does not believe it is necessary to designate a Lead Independent Outside Director, as doing so could lead to a sense of hierarchy or dependency. Instead, the Company prioritizes an environment where all Directors can engage in candid discussions from an equal standpoint.

Disclosure Based on the Principles of the Corporate Governance Code **Updated**

[Principle 1.4 Cross-Shareholdings]

The Company currently does not hold any listed shares as cross-shareholdings. If the Company considers such holdings in the future, for purposes such as business alliances or strengthening business transactions, the Board of Directors will examine the rationale for the investment, including whether the benefits and risks are commensurate with the cost of capital. Furthermore, the Board will periodically verify the significance of such holdings and consider a reduction if the rationale is no longer recognized. Regarding the exercise of voting rights, the Company will make a comprehensive judgment based on whether the proposal contributes to the sustainable growth of the investee and the interests of our shareholders.

[Principle 1.7 Related Party Transactions]

When a Director or major shareholder executes a transaction with the Company, the Company monitors such transactions by establishing a structure that requires a factual explanation and approval resolution by the Board of Directors in advance regarding the rationality of the transaction and the appropriateness of its terms and conditions (e.g., whether they are consistent with general terms based on market prices), in accordance with laws, regulations, and the Related Party Transaction Management Regulations. In such resolutions, Directors with special interests are excluded from exercising their voting rights.

In the event that such transactions are executed, the facts are reported to the Board of Directors. Regarding the existence of transactions between related parties and the Company, a quarterly written survey is conducted with all Directors using a related party checklist, and transactions are comprehensively verified through cross-checking with transaction data from the accounting department.

Furthermore, the Audit & Supervisory Committee monitors and verifies whether there are any facts that violate the Directors’ duty of care of a prudent manager and duty of loyalty with regard to conflict-of-interest transactions and competing transactions.

[Supplementary Principle 2.4.1 Ensuring Diversity in the Promotion of Core Human Resources]

In recent corporate management, building an organization that respects diversity is an essential element for sustainable growth. The scope of such efforts is not limited to the conventional promotion of women's empowerment, but also covers a wide range of areas such as nationality, religion, and sexual minorities.

The Company considers this as one of its top management priorities. We will fulfill our social responsibility as a company that protects people's physical and mental health by building and maintaining a diversity-friendly work environment and promoting inclusive recruitment. In terms of human resource development, we actively appoint employees to key positions based on their achievements and aspirations, regardless of gender, nationality, or age.

< Voluntary and Measurable Goals and Their Status >

(1) Promotion of Women to Management Positions

Under the action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life, the Company set a target of "increasing the ratio of female employees in management positions to 15% or more by the end of March 2026". Due to the acceleration of various measures, this target was achieved well ahead of schedule. As of December 31, 2025, the ratio reached 18.5%, maintaining a steady upward trend over the past several years.

December 31, 2025: 18.5%

December 31, 2024: 15.4%

December 31, 2023: 8.6%

December 31, 2022: 3.8%

Following this achievement, we have set a new target of "20% or more by the end of December 2030" and are working toward it. Specific measures include providing training and e-learning opportunities for female employees seeking management roles, with annual effectiveness evaluations conducted every March. Furthermore, to ensure diversity at the decision-making level, the Company elected two female Independent Outside Directors at the Ordinary General Meeting of Shareholders held in March 2026.

(2) Promotion of Mid-career Professionals to Management Positions

Approximately 98% of our Directors and managers are mid-career professionals. While this ratio may decrease slightly in the future as the promotion of "home-grown" employees increases, it is expected to remain at a high level due to the nature of our business. Since mid-career professionals already form the core of our management, we have not set a specific target for their promotion.

(3) Promotion of Foreign Nationals to Management Positions

Regarding foreign nationals, the Company intends to recruit and promote them as needed in light of future global business development. At this time, however, we have not set specific voluntary and measurable goals.

< Policies for Human Resource Development and Internal Environment Enhancement to Ensure Diversity, and Their Status >

The Company focuses on supporting the balance between work and childcare and promoting health and productivity management so that diverse human resources can maximize their potential. We have been developing a work environment that emphasizes work-life balance. As a result of these efforts, the Company obtained "Kurumin" certification as a childcare-supporting company in 2024 and "Certified Health & Productivity Management Outstanding Organization" certification in 2025.

Details of our action plans and external evaluations are disclosed on the following website:

Action Plan (in Japanese): <https://findex.co.jp/company/actionplan.html>

External Evaluations and Certifications (in Japanese): <https://findex.co.jp/sustainability/evaluation.html>

[Principle 2.6 Role of Corporate Pension Funds as Asset Owners]

Currently, the Company has not adopted any corporate pension plans involving the management of pension reserves, such as defined benefit corporate pension plans. Therefore, the management of a corporate pension plan has no impact on the Company's financial condition, and no conflict of interest arises between the beneficiaries and the Company. In the event that the Company introduces such a plan in the future, we will establish an appropriate structure for both personnel and operations—including the assignment of specialized personnel and the monitoring of investment institutions—to fulfill our expected functions as an asset owner, and will disclose the details accordingly.

[Principle 3.1 Full Disclosure]

(i) Corporate Philosophy, Management Policy, Mid- to Long-Term Initiatives, Business Strategies, etc. are described on the Company's website.

Corporate Philosophy: <https://findex.co.jp/en/about-us/philosophy.html>

Management Policy: <https://findex.co.jp/en/ir/management/index.html>

Mid to Long Term Initiatives / Business Strategies: https://findex.co.jp/en/ir/irnews/pdf/en_ir_260212.pdf

- (ii) Basic policy on corporate governance is described on the Company's website and is also included in this report, "I. 1. Basic View".
- (iii) The policy regarding the remuneration of Directors is described in this report "II.1.[Director Remuneration] Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods".
- (iv) For greater fairness and transparency, nominations of Director candidates are deliberated by Human Resources & Remuneration Committee (chaired by the President & CEO and consisting of four Independent Outside Directors), a majority of which are composed of Outside Directors, and the final selection is made by the Board of Directors, respecting the report of the Human Resources and Remuneration Committee.
- (v) Reasons for the nomination of Outside Directors are described in the Notice of Annual General Meeting of Shareholders along with their brief CVs. For Inside Directors, brief CVs are provided to enable recognition of their career paths in the Company and their areas of expertise, thereby providing the reasons for their nominations.
(Notice of the 41st General Meeting of Shareholders:
https://findex.co.jp/en/ir/stock/pdf/en_meeting_20260304.pdf)

[Supplementary Principle 3.1.3 Initiatives, etc. on Sustainability]

As an organization engaged in businesses with high public interest, the Company emphasizes fulfilling its responsibility to society. Specific initiatives to realize a sustainable society are deliberated, formulated, and evaluated by the Sustainability Committee, which is chaired by the President and President & CEO. Matters of importance are reported to the Board of Directors for further discussion and final decision-making. Details regarding our fundamental policies and material issues (materiality) are disclosed on our website.

Sustainability: <https://findex.co.jp/en/sustainability/index.html>

Furthermore, as a software developer, we recognize human capital and intellectual property as our core assets and have been actively investing in these areas. Details on our climate-related initiatives based on the Task Force on Climate-related Financial Disclosures (TCFD) framework, our approach to human capital, and our intellectual property rights are described in our Annual Securities Report.

[Supplementary Principle 4.1.1 Scope of Authority Delegated to the Management]

The Board of Directors discusses matters stipulated by law and the Articles of Incorporation as well as important matters of the Company and decides the major direction of the Company's management. Specific execution of matters decided by the Board of Directors is delegated to President & CEO and Executive Directors, and the Board of Directors supervises the execution of such matters.

Also, the Board of Directors Regulations, Organization Regulations, Segregation of Duties Regulations, Administrative Authority Regulations, and Approval Rules clarify the matters to be resolved by the Board of Directors and the administrative authority of President, Executive Directors, and each department.

[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]

The Company shall make decisions regarding the nomination of Independent Outside Directors by taking into consideration Article 2, Item 15 of the Companies Act and the criteria for determining independence as stipulated by the Tokyo Stock Exchange.

When nominating Outside Directors, the Company selects candidates who have a high level of expertise and knowledge as well as a wealth of experience, and who are able to actively engage in discussions at the Board of Directors meetings. Specific skills and experience are annually described in the Notice of the Annual General Meeting of Shareholders, started from March 2022.

[Supplementary Principle 4.10.1 Use of Optional Approach]

The Company has established a voluntary Human Resources and Remuneration Committee as an advisory body to the Board of Directors. The committee is chaired by the President & CEO and includes all Independent Outside Directors as members. By ensuring that Independent Outside Directors constitute a majority, the Company secures highly effective supervision of management and guarantees the objectivity and transparency of the process. Rather than arbitrarily selecting specific Outside Directors, our policy is to include all of them as members to incorporate a broader range of diverse perspectives.

Regarding its specific operations, the Board of Directors consults with this committee on drafts concerning the nomination and remuneration of Directors (including succession planning) and senior management. The Board of Directors then makes final decisions while giving the utmost respect to the committee's recommendations. In principle, the committee meets twice a year, in April (for remuneration) and December (for personnel matters and evaluation of the Board's effectiveness), with additional meetings held on an ad hoc basis as necessary.

[Supplementary Principle 4.11.1 Prerequisites for Ensuring the Effectiveness of the Board of Directors]

The Company identifies the skills (knowledge, experience, and abilities) necessary to realize its management strategy and medium- to long-term vision, and prepares a Skills Matrix listing the expertise of each Director. This matrix is disclosed in the Notice of the Ordinary General Meeting of Shareholders and the Annual Securities Report.

Regarding the composition of the Board of Directors, the Company ensures a balance of knowledge, experience, and abilities, as well as diversity, to fulfill its supervisory functions and achieve healthy, sustainable growth. As a specific initiative to ensure diversity, two new female Independent Outside Directors were elected at the Ordinary General Meeting of Shareholders held in March 2026. By doing so, the Company aims to incorporate diverse perspectives, including gender, and further invigorate discussions within the Board.

Independent Outside Directors include individuals with management experience at other companies. The policies and procedures for the nomination of Directors are as described in Principle 3-1 (iv).

[Supplementary Principle 4.11.2 Status of Concurrent Positions of Directors]

The Company discloses the status of directors' concurrent positions every year through the Notice of the Annual General Meeting of Shareholders, the Annual Securities Report, and the Corporate Governance Report. Directors who concurrently serve at other listed companies are limited to the extent that it does not interfere with their attendance at Board of Directors meetings.

[Supplementary Principle 4.11.3 Summary of Analysis and Evaluation Results of Effectiveness of Board of Directors]

The Company evaluates the effectiveness of the Board of Directors by analyzing the attendance rates and the active participation of each Director. Furthermore, the Human Resources and Remuneration Committee, in which Independent Outside Directors constitute a majority, discusses the Board's effectiveness and areas for improvement, providing recommendations to further enhance its functions.

Currently, the Company's Board of Directors maintains a high attendance rate and ensures sufficient time for deliberation (averaging one to two hours per meeting) through appropriate agenda setting. With active contributions and proposals from all Directors, including those from outside the Company, we evaluate that the effectiveness of the Board of Directors is fully ensured.

[Supplementary Principle 4.14.2 Training Policy for Directors]

The Company's policy is to provide Directors (including those who are Audit & Supervisory Committee members) with continuous opportunities to acquire and update the knowledge and skills necessary to fulfill their roles and responsibilities, both at the time of their appointment and throughout their tenure.

For Outside Directors: At the time of appointment, the President & CEO or the relevant Executive Officers provide intensive briefings on the Company's business strategy, financial condition, management issues, and industry trends. In addition, the Company provides opportunities for them to deepen their understanding of the business, such as site visits and attendance at key meetings as observers.

For Inside Directors: To acquire and update specialized knowledge in areas such as legal affairs, finance, and corporate governance, the Company actively encourages participation in external seminars and the purchase of relevant publications, with the Company covering all associated expenses.

Furthermore, the Company has a structure in place to consider and conduct study sessions for the entire Board of Directors in response to legal amendments or changes in social conditions.

[Principle 5.1 Dialogue with Shareholders]

The Company prioritizes constructive dialogue with shareholders and investors to contribute to sustainable growth and the enhancement of corporate value over the medium to long term. Our specific structures and initiatives are as follows:

(i) Dialogue with Shareholders: The President & CEO, supported by the Director in charge of Finance and IR, takes primary responsibility for active and constructive dialogue with shareholders.

(ii) Structure for Dialogue: The dedicated IR department organically collaborates with internal divisions (General Affairs, Finance, and Accounting) to ensure accurate and multifaceted information disclosure.

(iii) Means of Dialogue: We actively provide opportunities for direct communication with management through individual meetings, semi-annual briefings, and small group meetings.

(iv) Feedback: Shareholder opinions and concerns are reported regularly to the Board of Directors to be shared among management and reflected in corporate strategy.

(v) Information Management: The Company strictly adheres to the "Fair Disclosure Rule" and its "Insider Trading Prevention Regulations" to manage undisclosed material facts thoroughly.

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure **Updated**

Disclosure of Initiatives (Update)

Availability of English Disclosure Updated	Available
Date of Disclosure Update Updated	March, 27, 2026
Explanation of Actions Updated	

The Company’s basic management policy is to promote “research and development that allows its employees to feel the joy of creating things” based on “the search for new ideas and technologies” and to provide “products that exceed customer expectations and contribute to the further development of society”. Leveraging the technologies and expertise accumulated and refined through R&D in the medical field, we have expanded our business by diversifying not only into medical systems but also into medical devices and municipal systems.

Regarding the specific cost of capital, we conservatively assume it to be approximately 10%, taking into account factors such as a high equity beta resulting from past stock price volatility. Meanwhile, our ROE (Return on Equity) for 2025 stood at 22.8%, exceeding the cost of capital and maintaining a positive equity spread.

Furthermore, in our “Growth Strategy and Shareholder Return Policy 2026-2030” announced in 2026, we established a return policy through 2030 with a dividend payout ratio of 50% or a DOE (Dividend on Equity ratio) floor of 8.5%. While prioritizing business investments for organic growth—including the creation and nurturing of new businesses—we aim to enhance corporate value by flexibly returning surplus capital to optimize equity and further improve ROE.

https://findex.co.jp/en/ir/irnews/pdf/en_ir_260212.pdf

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
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Status of Major Shareholders **Updated**

Name or Designation	Number of Shares Held	Shareholding Ratio (%)
Teruo Aibara	7,707,600	31.41
The Master Trust Bank of Japan, Ltd.(Trust Account)	2,890,300	11.78
Mizuho Trust & Banking Co., Ltd. Securities Custody Trust 0700068	1,440,000	5.87
Mizuho Trust & Banking Co., Ltd. Securities Custody Trust 0700067	1,440,000	5.87
The Ehime Bank, Ltd.	967,200	3.94
Keiji Takemura	959,600	3.91
THE BANK OF NEW YORK MELLON 140040 (Standing Proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	884,000	3.60
CACEIS BANK/QUINTET LUXEMBOURG SUB AC/UCITS CU STOMERS ACCOUNT(Standing Proxy: HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, Tokyo)	549,400	2.24
Custody Bank of Japan, Ltd. (Trust Account)	347,900	1.42
SCBHK AC LIECHTENSTEINISCHE LANDESBANK AG (Standing Proxy: MUFG Bank, Ltd.)	275,000	1.12

Controlling Shareholders (excluding Parent Company)	-
Existence of Parent Company	None

Supplementary information **Updated**

- The above “Status of Major Shareholders” reflects the status as of December 31, 2025.
- Treasury share (2,068,065 shares) is excluded from the “Status of Major Shareholders” list above.
- Shareholding ratios are calculated based on the total number of issued shares minus treasury stock.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	December
Category of Business	Information, Telecommunications
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	100 or more and fewer than 500
Net Sales (Consolidated) as of the End of the Previous Fiscal Year	Less than ¥10 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Less than 10

4. Guideline for Measures to Protect Minority Shareholders when Conducting Transactions with Controlling Shareholders

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

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

1. Matters regarding Organizational Structure and Operations, etc.

Organization Form	Company with Audit and Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	12
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors	President & CEO
Number of Directors Updated	11
Election of Outside Directors	Elected
Number of Outside Directors Updated	4
Number of Outside Directors Designated s Independent Officers Updated	4

Outside Directors' Relationship with the Company (1) **Updated**

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Takashi Kitada	Certified Public Accountant								△			
Akira Yamada	From another company											
Kyoko Matsuba	From another company	△										
Akane Yui	Tax Accountant											

*Selection criteria regarding relationship with the Company

○: Shows the item is/was applicable to the Outside Director either currently or until recently

△: Shows the item was applicable to the Outside Director in the past

●: Shows the item is/was applicable to a close relative of the Outside Director either currently or until recently

▲: Shows the item was applicable to a close relative of the Outside Director in the past

a. Executive of the Company or its subsidiary

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 Company or an executive thereof

f. Consultant, accountant, or legal professional who receives a large amount of monetary compensation or other property from the Company besides compensation as a Director/Audit & Supervisory Committee 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 Audit & Supervisory Committee member himself/herself only)
- i. Executive of a company, between which and the Company Outside Directors/Audit & Supervisory Committee member 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) **Updated**

Name	Membership of Audit and Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Takashi Kitada	○	○	N/A	As of the date of submission of this report, Mr. Kitada holds 1,000 shares of the Company's share, but there are no personal or other interests between him and the Company. The Company has elected him as an Outside Director based on his professional knowledge of finance and accounting as a certified public accountant, as well as his ability to appropriately execute the duties of an Outside Director.
Akira Yamada	○	○	N/A	As of the date of submission of this report, there are no personal or other interests between the Company and Mr. Yamada. He has long work experience at a medical institution and possesses expertise and broad insight as a company manager in the nursing care business. Accordingly, his diverse perspectives and appropriate advice and recommendations will strengthen the corporate governance of our group, hence he has been nominated for the position.
Kyoko Matsuba		○	N/A	As of the date of submission of this report, there are no personal or other interests between the Company and Ms. Matsuba. The Company has elected her based on the judgment that she will provide appropriate advice and proposals for both the Company's governance and business promotion, leveraging her expertise in the latest trends in medical innovation, as well as her deep insights and strategic execution capabilities within the healthcare industry.
Akane Yui	○	○	N/A	As of the date of submission of this report, there are no personal or other interests between the Company and Ms. Yui. In addition to specialized knowledge cultivated as a certified tax accountant, she possesses extensive leadership experience, including serving as an outside auditor and managing organizations as a representative partner. The Company has elected her based on the judgment that she will provide appropriate advice and proposals from a neutral standpoint to further strengthen the Company's governance structure.

Audit and Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson **Updated**

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	4	1	1	3	Inside Director

Appointment of Directors and/or Staff to Support the Audit and Supervisory Committee Not Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers

In the event that the Audit & Supervisory Committee requests the appointment of Directors and employees to assist in the performance of its duties, appropriate assistants will be assigned. The Company will determine the assignment of assistants after listening to the opinions of the Audit & Supervisory Committee. The assistant shall be subject to the instructions and orders of the Audit & Supervisory Committee, shall assist Audit & Supervisory Committee in its duties in accordance with instructions of the Audit & Supervisory Committee, and shall have the authority to conduct investigations (including monitoring) necessary for such duties.

Cooperation among the Audit & Supervisory Committee, Financial Auditors and Internal Auditing Department

The Audit & Supervisory Committee conducts audits of the effectiveness of internal controls, observes internal audits, exchanges opinions with the account auditors, and listens to audit results to enhance the effectiveness of audits.

Voluntary Established Committee(s)

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

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

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other Members	Chairperson
Voluntarily Established Committee Equivalent to Nominating Committee	Human Resources and Remuneration Committee	5	1	1	4	0	0	Inside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Human Resources and Remuneration Committee	5	1	1	4	0	0	Inside Director

Supplementary Explanation

The Human Resources and Remuneration Committee serves as a voluntary advisory body, chaired by the President & CEO and composed of all four Independent Outside Directors. By including all Outside Directors rather than selecting specific members, the Company ensures a broad range of perspectives and high transparency.

The Board of Directors consults the committee on nominations (including succession planning) and remuneration for senior management. Decisions on nominations must respect the committee's reports, and the President & CEO must determine remuneration in accordance with these reports.

The committee meets in April (remuneration) and December (personnel and Board effectiveness), with additional ad hoc meetings as necessary.

Independent Directors

Number of Independent Directors	Updated	4
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Other Matters Concerning Independent Directors

Incentives

Implementation of Measures to Provide Incentives to Directors	Other
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Supplementary Explanation for Applicable Items

The Company introduced a restricted stock compensation plan for Directors excluding those who are members of the Audit Committee and Outside Directors with incentives to continuously enhance the Company's corporate value and to further promote value sharing with shareholders.

Recipients of Stock Options	---
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Supplementary Explanation for Applicable Items

Director Remuneration

Disclosure of Individual Directors' Remuneration	No Individual Disclosure
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Supplementary Explanation for Applicable Items

The total amount of remuneration for Executive Directors and the Audit & Supervisory Committee members has been disclosed respectively.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods **Updated**

The Company's basic policy is to link the remuneration of Directors to shareholder's profit to functions as an incentive to continuously increase corporate value, and to set the remuneration of Individual Directors at an appropriate level based on their respective responsibilities in determining their remuneration.

Specifically, remuneration for Executive Directors consists of a fixed and consists of base remuneration and stock-based compensation, while Outside Directors and Audit Committee members, who are responsible for supervisory functions, are paid only base remuneration in consideration of their duties.

The basic remuneration of the Company's Directors is a fixed monthly amount, which is determined by the Board of Directors based on the report of the Human Resources and Remuneration Committee (chaired by the President & CEO and consisting of four Independent Outside Directors), after comprehensively considering the Company's business performance, position, responsibilities, and their time in office.

However, the remuneration for Directors who are Audit & Supervisory Committee members is determined through discussions among those members.

The base remuneration is a fixed remuneration as compensation for “fulfillment of responsibilities” and to stabilize the basis of livelihood, and the amount divided by 12 shall be paid in monetary terms at the end of each month.

The base remuneration is reviewed every year by April, and the reviewed base remuneration is applied from the payment in April.

Non-monetary compensation, etc. consists of restricted stock, which in principle is granted every year. In addition to the number of non-monetary compensation shares is determined by the Board of Directors based on the report of the Human Resources and Remuneration Committee after comprehensively considering the Company’s performance, position, responsibilities, and their years served.

The Human Resources and Remuneration Committee considers the ratio of remuneration for each type of Executive Director based on the Company’s performance level and the remuneration levels of benchmarks set by other companies of the same type and size as the Company.

The Board of Directors respects the report of the Human Resources and Remuneration Committee and determines the details of individual remuneration for each Director based on the types of proposed remuneration described in the report.

As for the ratio of each type of remuneration, for full-time Directors, in principle, monetary remuneration is 80% to 90% and non-monetary remuneration is 10% to 20%. The ratio is determined by the Board of Directors based on the report of the Human Resources and Remuneration Committee after comprehensively considering the Company’s performance, position, responsibilities, and their years served.

In addition, regarding the details of Individual Directors’ remuneration etc., the Board of Directors consults the Human Resources and Remuneration Committee for drafts, and the Board of Directors decides the details based on the Committee’s report.

Support System for Outside Directors Updated

Upon their appointment, new Directors receive intensive briefings from the Representative Director or the Director in charge regarding the Group’s business strategy, financial standing, management issues, and industry trends. In addition, we provide ongoing opportunities to deepen their understanding of our business operations.

Furthermore, the Secretariat of the Board of Directors provides advance reports on meeting dates, agendas, and detailed information. To ensure a system for the rapid exchange of information, Executive Directors also provide sufficient information to the Board to facilitate effective deliberation.

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

Business Execution

The Board of Directors, the management decision-making entity, consists of eleven (11) Directors and holds once a month in principle. The Board of Directors reviews the progress of sales activities and budgets, examines earnings forecasts and implements other measures as necessary, and actively discusses important management matters to invigorate the Board of Directors and ensure mutual checks and balances.

Audit & Supervisory

The Company is a company with an Audit & Supervisory Committee, and the Audit & Supervisory Committee consists of one Internal Director and three Outside Directors. The Audit & Supervisory Committee members participate in important meetings such as the Board of Directors meetings and exchange information with each other at the monthly Audit & Supervisory Committee meetings to further enhance the audit function.

Internal Audits

To strengthen our compliance structure, the Company has established an Internal Audit Office directly under the President & CEO. The office is staffed with two dedicated members, including the Head of the Internal Audit Office, and additional audit staff are appointed from other departments as needed depending on the scope of the audit. The manager of the Internal Audit Department and the person in charge of auditing conduct audits of all departments from the perspective of whether business is being conducted efficiently and whether internal controls are functioning effectively in accordance with laws and regulations and the rules established by the Company. Audit results are reported to the President & CEO and recommendations, advice, etc. are made as necessary to contribute to the improvement of business activities and appropriate management. In addition, the Company conducts more effective audits by cooperating with Audit & Supervisory Committee members and accounting auditors, as necessary.

Financial Audit

The Company has appointed Deloitte Touche Tohmatsu LLC as its accounting auditor to conduct accounting audits in accordance with the provisions of the Financial Instruments and Exchange Law, and to provide consultation and exchange opinions as necessary. There are no interests between the Company and Deloitte Touche Tohmatsu LLC.

3. Reasons for Adopting the Current Corporate Governance Structure Updated

The Company is a company with an Audit & Supervisory Committee, and three of the four Directors are Outside Directors, who are members of the Audit & Supervisory Committee. The Board of Directors, which is the management decision-making body consists of eleven Directors, including four Outside Directors, and meets once a month in principle.

In addition, the Board of Directors actively discusses regarding the important management matters that consider the business outlook and taking necessary measures along with confirming the sales activities and the progress of budgets. The Company has introduced the current structure because the Company believes that this is the management system to ensure fairness and transparency attempting mutual check-and-balance or activation by asking Outside Directors to monitor the Company's business execution from an objective perspective.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Notification of General Shareholders Meeting	The Company keeps in mind to send out the notice of General Meeting of Shareholders approximately three weeks prior to the date of the General Meeting of Shareholders to ensure that shareholders have sufficient time to consider the agenda, as well as post it early on the Company website and Tokyo Stock Exchange website, etc.
Scheduling of General Shareholders Meeting During Non-Peak Days	The Company's fiscal year ends on December 31, which avoids a concentration of shareholder meetings.
Allowing Electronic Exercise of Voting Rights	The Company accepts voting rights both in writing and via the Internet to allow as many shareholders as possible to exercise their voting rights.
Participating the Electronic Voting Platform and Other Efforts to Encourage Institutional Investors to Exercise their Voting Rights	The Company participates in the "electronic exercise of voting rights platform operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	The Company posts the English translation, which is a summarized version of the Japanese original on its website and the Tokyo Stock Exchange website at nearly the same time.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by Representative
Preparation and Publication of Disclosure Policies	IR policies including basic policy are posted on the Company website. https://findex.co.jp/en/ir/policy/index.html	
Regular Investor Briefings for Analysts and Institutional Investors	Holding financial results briefings for analysts and institutional investors twice a year.	Yes
Disclosure of IR Information on the Company's website	Financial results, Annual Securities Reports, and other timely disclosure materials are disclosed on the Company website. https://findex.co.jp/en/ir/index.html	
Establishment of Department and/or Appointment of a Manager in Charge of Investor Relations	Finance & Investor Relations unit has been established within the Business Strategy Department directly managed by the President & CEO.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	Under the management philosophy of “Enriching Society with Technologies and Creation”, the Company contributes to society by creating “what is needed in the market” and “new ideas and technologies that do not yet exist” and constantly providing innovative solutions. In addition, the Company fulfills its responsibilities as a corporation supporting the mental and physical wellbeing of people, through concentration of management resources, acceleration of R&D and investment in human capital.
Implementation of Environmental Conservation Activities, CSR Activities, etc.	The Company is conducting a cohort study using its Gaze Analyzing Perimeter through municipal health checkups. Other initiatives to achieve the sustainability goals and specific efforts related to environmental, social, and governance issues are disclosed on the Company website. https://findex.co.jp/en/sustainability/index.html
Development of Policies on Information Provision to Stakeholders	From the perspective of stakeholder protection and fairness of transactions, the Company’s basic policy on information disclosure is to comply with applicable laws and disclosure regulations stipulated by Tokyo Stock Exchange and disclose information that forms the basis for investment decisions in a timely and appropriate manner.

IV. Matters Concerning the Internal Control System

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

(1) System to ensure that the execution of duties by Directors and employees complies with laws and regulations as well as the Articles of Incorporation

The Company’s Directors and employees are required to perform their duties with a high sense of ethics and conscience, and to comply with laws, regulations, and internal rules and regulations, as well as to behave in a responsible manner in accordance with social norms. In addition, the Company has established an internal reporting system that allows employees to directly provide information on violations of laws, regulations, and internal rules and regulations, and is making efforts to enhance a more substantive control system.

(2) System for storage and management of information related to execution of duties by Directors

The Company’s Directors appropriately store and manage important information, such as minutes of general meeting of shareholders and Board of Directors’ meetings, in accordance with their respective duties and internal regulations. In addition, other important information and documents related to the execution of duties by Directors are appropriately stored and managed in accordance with the Document Management Regulations and are maintained in a condition that allows access as necessary.

(3) Rules and other systems for managing risk of loss

The Company manages risks within the authority granted to each department, and cross-company risks are managed by the Administration Department. The Company takes necessary measures to prevent the occurrence of risks and eliminates and mitigates business risks after investigation and deliberation. In the unlikely event of the occurrence of a risk that could have a significant impact on the Company overall, a management-level risk task force chaired by the President & CEO has been established and a system is in place to ensure that a prompt and appropriate response is implemented.

(4) System to ensure that the duties of the Directors are being carried out efficiently

To ensure the efficiency and appropriateness of the Board of Directors, the Company has established regulations regarding the operation of the Board of Directors. In order to better monitor, supervise, and execute business operations, the Board of Directors delegates duties to CEO, Executive Directors, and Corporate Officers, and makes necessary decisions on matters to which it has delegated business execution decisions, in accordance with the organization or procedures stipulated in internal rules and regulations. In principle, the Board of Directors reviews the rules and regulations as necessary for the revision or abolition of laws and regulations and for the improvement of efficiency in the execution of duties.

(5) System to ensure the properness of business operations of the corporate group composed of the Company and its

subsidiaries

The Company manages and operates its subsidiaries in accordance with the “Regulations for Management of Subsidiaries and Affiliates of the Company”.

The Company’s subsidiaries are required to be audited by the Company’s Internal Audit Department.

The Company has a system in place to ensure that important matters affecting the Company and its group companies are reviewed from multiple perspectives at the Executive Committee before being deliberated by the Board of Directors of the Company.

As a system for reporting to the Company on the execution of duties by Directors of subsidiaries, the Company requires subsidiaries to report to the Company on a regular and ad hoc basis, including prior discussions on important matters. The Company requires subsidiaries to submit important management matters to the Board of Directors of the Company in advance in accordance with the “Regulations for Management of Subsidiaries and Affiliates of the Company”.

The Audit & Supervisory Committee members, either by themselves or through the Audit & Supervisory Committee, have established an appropriate system, including close cooperation with the accounting auditor and the Internal Audit Department of the Company, to monitor and audit the Company’s subsidiaries efficiently and appropriately.

(6) Matters related to employees to assist the Audit & Supervisory Committee in the event that the Audit & Supervisory Committee requests the appointment of such employees to assist the Audit & Supervisory Committee in the performance of its duties, Matters related to ensuring the effectiveness of instructions given by the Audit & Supervisory Committee to such employees and matters related to the independence of such employees from Directors (Excluding Directors who are members of the Audit & Supervisory Committee)

In the event that the Audit & Supervisory Committee assigns employees to assist it in the performance of its duties, to ensure the effectiveness of the Audit & Supervisory Committee’s instructions to such employees, the employees shall not be subject to the direction or orders of Directors (excluding Directors who are members of the Audit & Supervisory Committee) or other employees, etc. in the performance of their duties. In addition, the Company has a system in place to take necessary measures to ensure independence, such as requiring the consent of the Audit & Supervisory Committee for the transfer, evaluation, and disciplinary action of employees who provide support.

(7) System for Directors (excluding Directors who are members of the Audit & Supervisory Committee) and Employees to Report to the Audit & Supervisory Committee and Other systems for reporting to the Audit & Supervisory Committee and systems to ensure that persons reporting to the Audit & Supervisory Committee will not be treated unfavorably because of such reporting

The Company’s President & CEO and Executive Directors shall report at Board of Directors meetings on the execution of business operations under their responsibility as well as important matters concerning the Group at appropriate times.

If any violation of laws or ordinances, etc. or any other fact that may cause material damage to the Company or the Group is discovered, the Company’s Directors (excluding Directors who are members of the Audit & Supervisory Committee) and employees, etc. are required to immediately report such violations to the Audit & Supervisory Committee.

Directors, corporate auditors, and employees of the Company’s subsidiaries are required to immediately report to the Audit & Supervisory Committee any violations of laws and regulations or other facts that may cause material damage to the Group.

In addition, regarding the status of internal control over financial reporting and accounting standards, etc., a system is maintained to enable Directors (excluding directors who are members of the Audit & Supervisory Committee) and employees to respond appropriately to requests for explanations from the Audit & Supervisory Committee. Furthermore, the Company ensures that persons who report to the Audit & Supervisory Committee are not subjected to any disadvantageous treatment in terms of personnel affairs because of such reports.

(8) Other systems to ensure that audits by the Audit & Supervisory Committee are conducted effectively and Matters related to the policy for the treatment of expenses or debts incurred in the execution of duties by Audit Committee members

The Audit & Supervisory Committee participates in important meetings, conducts audits of the effectiveness of internal controls, attends internal audits, exchanges opinions with auditing firms, and listens to audit results to enhance its auditing activities.

In the event that an Audit & Supervisory Committee member requests advance payment or reimbursement of expenses incurred in the performance of their duties, the Company will pay such expenses, unless the payment is deemed unnecessary for the Audit & Supervisory Committee member’s duties.

2. Basic Views on Eliminating Anti-Social Forces and Progress of Development

The Company and the Group recognize that the elimination of anti-social forces is an important management issue

from the perspective of corporate social responsibility and corporate defense.

The Company and the Group shall reject all relationships, including business transactions and support, with anti-social forces. The Company shall not accept any unreasonable requests from anti-social forces and shall take resolute action in cooperation with the police and other relevant agencies in the event of interference with management activities, slander, or other damage. In addition, to prevent and restrain transactions with anti-social forces, the Company has defined a clause for the elimination of organized crime groups to reject any relationship with such groups, and regularly educates its Directors, Officers, and employees to ensure that they are fully aware of this clause.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures No

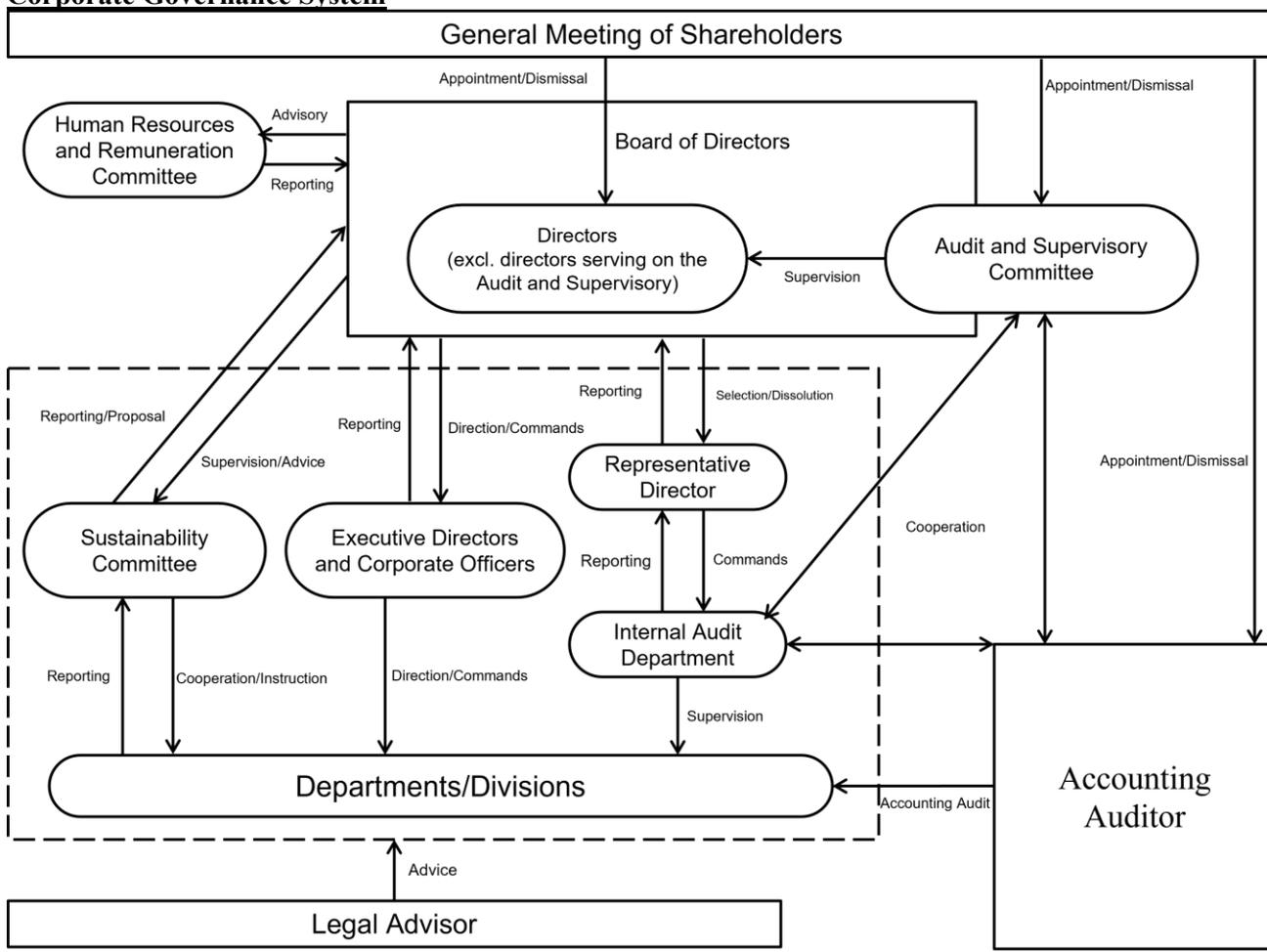
Supplementary Explanation for Applicable Items

Currently, the Company has not adopted any anti-takeover measures.

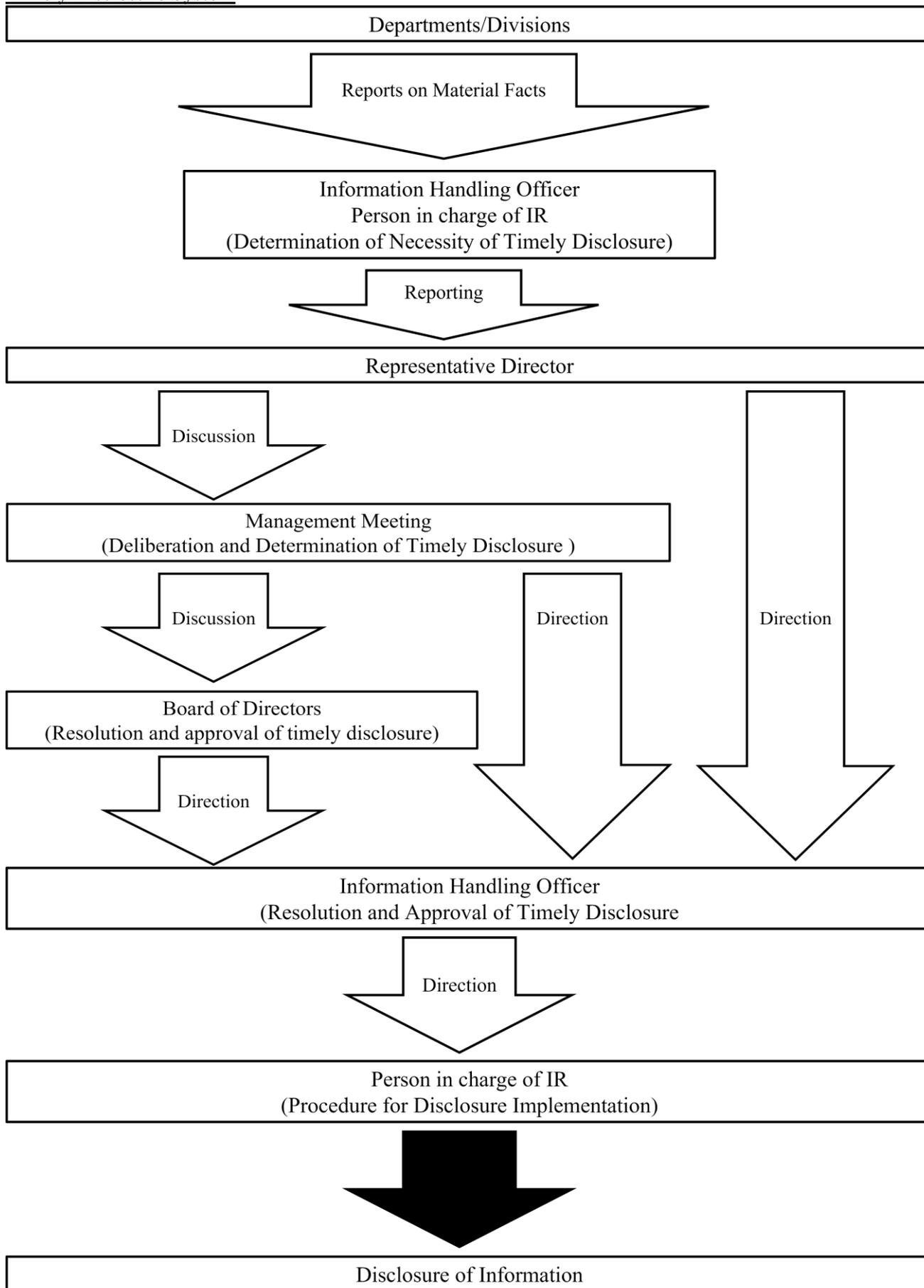
2. Other Matters Concerning the Corporate Governance System

N/A

Corporate Governance System



Timely Disclosure System



END