



# **Corporate Governance Guidelines**

**FIELDS CORPORATION**

## **Chapter 1. General Provisions**

### Article 1. (Purpose)

The purpose of these Guidelines is to set forth the basic matters for the Company's corporate governance, to fulfill its social responsibilities to all stakeholders, and to realize its sustainable growth and the enhancement of corporate value over the medium to long term.

### Article 2. (Basic Concept on Corporate Governance)

The Company's basic management policy is to continuously raise corporate value with the mission of providing "The Greatest Leisure for All People", which is its corporate philosophy.

In order to realize this basic policy, effective corporate governance is one of the Company's key management issues.

In order to raise the soundness, transparency, and awareness of compliance in management, the Company will enhance corporate governance, build an organizational structure capable of responding quickly and flexibly to changes in the business environment, and conduct efficient management.

## **Chapter 2. Ensuring the Rights and Equality of Shareholders**

### Article 3. (Ensuring Equality of Shareholders)

1. The Company treat all shareholders equally according to the nature and number of shares they hold, and disclose information in a timely and appropriate manner so as to prevent information gaps among shareholders, thereby ensuring the rights of shareholders.
2. The Company do not give special advantages to any particular shareholder.
3. In light of the importance of shareholder rights, the Company will give due consideration not to effectively preclude shareholder rights from being exercised. In particular, the Company will give due consideration to ensuring the exercise of special rights recognized by minority shareholders.

### Article 4. (Shareholders' Meeting)

1. The Company endeavor to dispatch and disclosure early convocation notices and post convocation notices on its the website no later than the date of dispatch in order to ensure that shareholders have sufficient time to consider and appropriately exercise their voting rights on the agenda for the general meeting of shareholders.
2. The Company will strive to create an environment in which all shareholders, including those who do not attend the general meeting of shareholders, can appropriately exercise their voting rights by using an electronic voting platform.
3. The Company will post on its website a summary of the convocation notices and reference documents in English so that there is no information disparity in languages.
4. The Company regard the general meeting of shareholders as an important forum for dialogue with

shareholders and set an appropriate schedule for the meeting.

5. In the event that a proposal for the Company has been passed at a general meeting of shareholders but has been voted down by more than 20% of the votes, the board of directors shall analyze the reasons for the objection and the cause of the increased objection, and shall consider whether or not it is necessary to respond.

Article 5. (Basic Policy on Capital Policy)

1. The Company believes that raising shareholder value by placing an emphasis on growth and prioritizing active investment using internal reserves will enable shareholders to be rewarded, and as a basic policy of capital policy, the Company will increase dividend payout ratio of 20% or higher. Detailed dividend policies will also be disclosed in securities reports and other documents.
2. With respect to capital policies (including capital increases and MBO) that cause fluctuations in control or significant dilution, the board of directors and the board of auditors shall sufficiently consider the necessity and rationality of such policies, ensure appropriate procedures, and provide adequate explanations to shareholders, so as not to unduly harm existing shareholders.

Article 6. (Basic Policy on Related-Party Transactions, etc.)

With regard to the implementation of related-party transactions, etc., the Company shall pay special attention to whether the transactions do not undermine the soundness of the management of the Group, whether the transactions are effective in light of reasonable judgment, and whether the terms and conditions of transactions are reasonable compared with other external transactions.

Article 7. (Basic Policy Concerning Policy Holding of Shares and Exercise of Voting Rights Pertaining to Policy Holding Shares)

1. The Company may only hold policy-owned shares to the extent necessary for the purpose of maintaining and strengthening business relationships and contributing to the improvement of its corporate value. When policymaking shares are held, the appropriateness of holding the shares shall be examined by examining whether the purpose of holding the shares is appropriate and whether the benefits and risks associated with holding the shares are commensurate with the cost of capital, etc. on a case-by-case basis.
2. Every year, the Company will examine the necessity of holding individual policy-based stocks, the returns and risks of holding them, and their economic rationality from a medium to long term perspective, determine whether or not to continue holding them, including the disposal of them, and disclose a summary of the results.
3. Based on the premise that voting rights of policy-held shares will contribute to the improvement of corporate value over the medium to long term, the Company will examine the possibility of conflicts of interest with the Company and damage to shareholder value, and make judgments individually for each proposed specific proposal.

## **Chapter 3. Appropriate Collaboration with Stakeholders other than Shareholders**

### Article 8. (Ethical Standards and Conflicts of Interest)

1. In order to ensure that directors, corporate officers, employees and others will act ethically at all times, the Company has established a code of corporate conduct, and the Company will endeavor to disseminate and observe it, and review the status of its implementation.
2. In the event of a conflict of interest, the directors shall promptly report to the board of directors and obtain the approval of the board of directors.

### Article 9. (Relationship with Stakeholders)

1. The board of directors will consider the interests of not only the Company's shareholders but also its employees, customers, business partners, creditors, local communities and other stakeholders in order to achieve its sustainable growth and increase corporate value over the medium to long term.
2. In order to achieve the sustainable growth of the Company, it will respond appropriately to issues related to sustainability, including social and environmental issues, and strive actively to establish its own social values through activities that contribute to the sustainable development of society and thereby become a company that is acceptable to society.
3. The Company will establish and operate an internal reporting system and take appropriate action so that its employees and others can convey information and serious doubts about illegal or inappropriate behavior. In addition, the Company shall thoroughly manage information pertaining to internal reports, and shall protect information providers from any disadvantageous treatment based on the provision of information in accordance with laws, regulations, and internal regulations.

## **Chapter 4. Appropriate Information Disclosure and Transparency**

### Article 10. (Information Disclosure)

1. Based on the IR Policy, the Company strives to disclose information to all stakeholders, including shareholders and investors, in a timely manner, with due consideration for fairness, accuracy, and continuity, with the aim of building and building a relationship of trust with a greater number of stakeholders.
2. The Company will comply with the Financial Merchandise and Exchange Law and other relevant laws and regulations as well as the rules for timely disclosure established by the Tokyo Stock Exchange on which the Company is listed.
3. With regard to the provision of information other than disclosure based on laws and regulations, the Company will place an emphasis on timeliness, fairness, accuracy, and continuity, and will actively disclose information to further promote understanding of its corporate activities.

## **Chapter 5. Responsibilities of the Board of Directors**

### Article 11. (Role of Board of Directors)

1. The board of directors is entrusted by shareholders and is responsible for ensuring efficient and effective corporate governance for all shareholders, thereby ensuring the sustainable growth of the Company and the enhancement of corporate value over the medium to long term.
2. In order to fulfill the responsibilities set forth in the preceding paragraph, the board of directors shall exercise its supervisory function with respect to management as a whole to ensure the fairness and transparency of management. In addition, the board of directors makes the best decisions through the establishment of the direction to which its Group should be directed, the formulation of management strategies and plans, the selection and dismissal of management, and the determination of compensation therefor, the development of an environment that supports appropriate risk taking by management, the evaluation of the significant risks that the Company faces and the formulation of responses thereto, and the decision-making of its important business operations.

### Article 12. (Chairman of the Board of Directors)

The chairman of the board of directors shall ensure sufficient time for the deliberation of all proposals, enhance the quality of discussions, and endeavor to enable the board of directors to operate effectively and efficiently. In addition, due consideration shall be given to the ability of each director to obtain appropriate information in a timely manner.

### Article 13. (Composition of Board of Directors)

1. The board of directors shall be composed of an appropriate number of members whose functions can be exercised most effectively and efficiently, and shall have independent outside directors for the purpose of supervising independent and objective management.
2. The board of directors determines the candidates for the board of directors, taking into account the balance and diversity of knowledge, experience and capabilities of the board as a whole.

### Article 14. (Qualifications of Directors and Nominating Procedures, etc.)

1. Candidates for director shall be those who satisfy the following requirements:
  - (1) A person who can contribute to sustainable growth and medium to long term improvement of corporate value
  - (2) A person who possesses high ethical standards with excellent personality, insight, ability and abundant experience
  - (3) A person who can secure the necessary time to perform the duties of directors
  - (4) A person who satisfies the eligibility requirements for directors as required by law
2. In addition to the preceding paragraph, candidates for independent outside directors shall not have any material interest in the Company and shall meet the criteria for the independence of independent outside directors set forth by the Company and shall satisfy any of the following requirements:

- (1) Persons with extensive experience as proprietor
- (2) A person who holds a position as a professional expert in law, accounting, finance, etc.
3. The board of directors shall appropriately appoint and dismiss the management team and appoint director candidates after conducting fair, transparent and strict examination based on evaluation of the Company's business performance and evaluation of job performance and contributions.
4. In light of the fact that personnel management is an important strategic decision-making process, the board of directors shall provide opportunities for the next generation of candidates to study and conduct appropriate evaluations in order to foster successor candidates, and shall supervise such candidates in a systematic manner.

Article 15. (Qualifications and Nominating Procedures for Auditors)

1. Candidates for auditor shall meet the following requirements:
  - (1) A person who can contribute to sustainable growth and medium to long term improvement of corporate value
  - (2) A person who possesses high ethical standards with excellent personality, insight, ability and abundant experience
  - (3) A person who can secure the necessary time to perform the duties of auditors
  - (4) A person who satisfies the eligibility requirements for auditors as required by law
2. In order to ensure the effectiveness of audits, persons with extensive knowledge and experience in various fields shall be selected in a balanced manner, and at least one person shall have appropriate financial and accounting knowledge.
3. The consent of the board of auditors shall be obtained for the appointment of candidates for company auditor.
4. The board of directors shall determine the candidates for company auditor after fair, transparent, and strict examination.

Article 16. (Concurrent Position of Officers)

1. In the event that a director or auditor concurrently holds the position of an officer, etc. of a listed company other than the Company, it shall limit this to the extent reasonable to ensure the time required for its duties. In addition, the status of major concurrent posts shall be disclosed in the business report and securities report.

Article 17. (Responsibilities of Directors)

1. Directors shall collect sufficient information for the execution of their duties and shall actively express their opinions at meetings of the board of directors for thorough discussions.
2. Directors exercise their expected abilities and devote sufficient time for the Company to fulfill their duties as directors.
3. Directors must understand relevant laws and regulations, the Articles of Incorporation, the Regulations Governing the board of directors, and other internal regulations when assuming office, and must fully

understand their duties.

Article 18. (Independent Outside Directors)

1. The Company will endeavor to make effective use of independent outside directors while keeping in mind that they are expected to fulfill the following roles and responsibilities:
  - (1) Providing advice on management policies and management improvements from the perspective of promoting sustainable corporate growth and raising corporate value over the medium to long term, based on one's own knowledge
  - (2) Supervising management through the selection and dismissal of senior management and other significant decisions made by the board of directors
  - (3) Supervising conflicts of interest between the Company and its management and controlling shareholders
  - (4) To appropriately reflect the opinions of stakeholders, including minority shareholders, in the board of directors, from the standpoint of being independent of management and controlling shareholders
2. The auditors or the board of auditors shall ensure coordination with outside directors so that they may enhance their ability to gather information without being influenced by their independence.

Article 19. (Training for Directors and Auditors)

1. The Company actively provides directors and auditors with related laws and regulations, corporate governance, and other required information and opportunities of training by experts.
2. Directors and auditors shall constantly endeavor to actively collect information on the Company's financial condition, related laws and regulations, corporate governance, and other matters required to fulfill their roles.

Article 20. (Support System for Outside Directors and Auditors)

1. Outside directors and auditors may request explanations, reports, or in-house materials from internal directors, corporate officer, and employees at any time as needed.
2. The Company provides appropriate personnel and budgets to enable outside directors to perform their duties properly.
3. The Company provides appropriate personnel and budgets to enable the board of auditors and each company auditor to properly perform their duties.

Article 21. (Evaluation of the Effectiveness of the Board of Directors)

1. The board of directors shall analyze and evaluate the effectiveness of the board of directors in the business of the entire Group and the corporate governance system based on the results of self-evaluation by each director and interviews with each director held from time to time by the Representative Director. The Company also discloses a summary of the results.
2. The board of directors shall make use of the analysis and evaluation results set forth in the preceding paragraph to improve the functions and operations of the board of directors, and shall endeavor to

enhance corporate governance.

Article 22. (Remuneration, etc. for Directors)

1. The Company determines the remuneration, etc. of directors in accordance with the directors' Remuneration Regulations and regulations of the Restricted Stock Compensation.
2. The Company makes appropriate and fair decisions on the remuneration, etc. of executive directors based on the results of achieving sustainable growth and raising corporate value over the medium to long term.
3. The Company determines the remuneration, etc. for outside directors appropriately and fairly in light of the time and responsibilities of each outside director to be involved in the Company's operations.
4. The Company discloses the amount of remuneration paid to directors in an appropriate manner.

## **Chapter 6. Communication with Shareholders**

Article 23. (Communication with Shareholders)

1. The Company emphasizes direct communication with shareholders and investors in order to contribute to sustainable growth and increase corporate value over the medium to long term.
2. Directors and officers in charge of information disclosure shall attend explanatory meetings for the settlement of accounts and explanatory meetings for individual investors, and shall explain the management policy and other matters in a reasonable and clear manner.
3. To the extent reasonable, directors including the president and representative director and outside director, or auditors will respond positively and engage in constructive dialogues with shareholders and investors in Japan and overseas.
4. The Company pays sufficient attention to avoid any substantial information disparity between shareholders and investors.
5. The Company makes reports on the opinions and concerns of shareholders and investors that are identified through dialogues at meetings of the board of directors, corporate officer meetings, and other such meetings. The Company also disseminates information widely within the Company, thereby contributing to the improvement of management and corporate value.
6. With regard to internal information when engaging in dialogues with shareholders and investors, supervisors shall strive to thoroughly control internal information and prevent insider trading by, for example, confirming whether or not such information is provided to insider information, in order for responders to exercise careful and appropriate control.

## **Supplementary Provisions**

Article 24. (Revision of Guidelines)

These Guidelines shall be revised by a resolution of the board of directors.



Article 25. (Implementation Date)

These Guidelines shall come into effect as of December 18, 2015.

Revised: December 25, 2018

Revised: December 21, 2021