



WILL GROUP

WILL GROUP, INC

Basic Views on Internal Control System and the Progress of System

Development

(1) System for ensuring that directors and employees perform their duties in compliance with laws and regulations and the Articles of Incorporation

- a) To ensure that all officers and employees, including those of group companies, comply with laws, regulations, the Articles of Incorporation, and other social norms, the Company has established compliance regulations and strives to practice highly ethical and compliance-conscious behavior. The Company establishes the Compliance Committee, chaired by the Representative Director, and provides all officers and employees with education regarding actions that comply with laws and regulations as well as social ethics.
- b) In the event that a director foresees an act by another director that may violate laws, regulations, or the Articles of Incorporation, he or she will immediately report it to the Audit & Supervisory Board and the Board of Directors, and strengthen the governance system to prevent such act from occurring in the future.
- c) As an internal whistleblowing system to strengthen compliance management, the Company has established the Compliance Hotline Regulations, which provide a contact point for reporting to outside attorneys and a Compliance Committee member as a direct recipient of information, and operate the system in accordance with these regulations.
- d) The Internal Audit Office, which is independent of the business execution divisions, has been established to provide a constant and professional monitoring system for business operations.
- e) The Compliance Committee periodically investigates and examines the company-wide compliance system and the existence of compliance problems, and reports to directors.

(2) System for the storage and management of information about the performance of directors' duties

Information related to the execution of duties by directors shall be appropriately stored and managed in accordance with the document management regulations. In addition, directors and Audit & Supervisory Board members shall have access to these documents at all times.

(3) Regulations and other systems for the risk management of losses

In the Company, the Representative Director oversees risk control for the entire company. The Representative Director shall assume and classify specific risks in advance, establish a prompt and appropriate information communication and emergency system, and evaluate and monitor the daily risk management status of each department in cooperation with the Compliance Committee.

In the event of unforeseen circumstances, the Company will establish a countermeasure committee led by the Representative Director, and act swiftly to minimize losses in cooperation with Audit & Supervisory Board members, legal counsel and other external advisors.

(4) System for ensuring that directors perform their duties efficiently

- a) In principle, a regular meeting of the Board of Directors shall be held once a month, and other meetings shall be held as necessary to make decisions on important matters and to supervise the execution of duties by directors.
- b) The Company has introduced an executive officer system. By separating management decision-making and supervisory functions from business operation functions, and by promoting the delegation of authority for business execution, the Company will clarify where responsibility lies for business execution and build a flexible management system that can respond appropriately and quickly to rapid changes in the business environment.
- c) With respect to the execution of operations based on the decisions of the Board of Directors, the Company shall ensure a system to execute operations in an appropriate and efficient manner by stipulating the responsible persons and their responsibilities, as well as the details of execution procedures, in internal rules such as organizational regulations and regulations on division of duties.

(5) System for ensuring the suitability of business operations of the corporate group consisting of the Company and its subsidiaries

The execution of operations by each group company shall be managed and guided in accordance with social norms such as laws and regulations, as well as in accordance with internal rules such as the regulations on management of affiliated companies. In addition, each division of the Company, which has a strong relationship with each other, will manage, provide guidance and advice on individual matters, and dispatches officers and employees as necessary to ensure the appropriateness of operations.

(6) Matters concerning requests by Audit & Supervisory Board members for employees to assist with their duties and independence of these employees from directors

In the event that an Audit & Supervisory Board member requests the assignment of an employee to assist in the performance of his/her duties, such employee shall be assigned, and the specific details of the assignment (appointment, transfer, personnel evaluation, award and punishment, etc.) shall be made after respecting the opinion of the Audit & Supervisory Board member, and the independence of such employee from directors shall be ensured.

(7) System for reporting from directors or employees to Audit & Supervisory Board members and for other reporting to Audit & Supervisory Board members

Directors and employees shall report on matters such as the status of business and internal controls in response to requests from Audit & Supervisory Board members, and the Internal Audit Office shall report on the results of internal audits and related matters. In addition, directors and employees shall promptly report to Audit & Supervisory Board members when they become aware of facts of serious violations of laws, regulations, or the Articles of Incorporation, or of wrongful acts, or of facts that may cause significant damage to the Company.

(8) Other systems for ensuring that audits by the Audit & Supervisory Board members are performed effectively

The Audit & Supervisory Board members will strengthen its cooperation with the accounting auditor and the Internal Audit Office, and hold meetings to exchange opinions as necessary.

(9) Systems for the effective and efficient maintenance, operation and evaluation of internal control over financial reporting

In order to ensure the reliability of financial reporting, the Group will establish an internal control system to ensure the effective and appropriate submission of internal control reports in accordance with the Financial Instruments and Exchange Act. The Group will continuously evaluate and take necessary corrective actions to ensure that the system functions properly.