



UNITED ARROWS LTD.

UNITED ARROWS LTD.

# ESG Data Book

Environment  
Social  
Governance

April 1, 2021 - March 31, 2022

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## Editorial Policy

“UNITED ARROWS LTD. ESG Data Book 2022” focuses on data on ESG-related information disclosed on our website, etc. The report provides an excellent list of information by ESG item as a reference for stakeholders interested in ESG investment. Please refer to it together with our website. In consideration of stakeholders’ opinions, we will continue to improve the report so that it may function as a communication tool to help promote stakeholder dialogue.

|                     |   |
|---------------------|---|
| Date of publication | August 2022<br>(to be published annually)                                   |
| Reporting period    | Fiscal year ending March 31, 2022<br>(From April 1, 2021 to March 31, 2022) |

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## Corporate profile

|                |   |
|----------------|---|
| Company name   | UNITED ARROWS LTD.  |
| Address        | 3-28-1 Jingumae, Shibuya-ku, Tokyo                                    |
| Representative | Yoshinori Matsuzaki,<br>Representative Director,<br>President and CEO |
| Established    | October 2, 1989   |
| Capital        | ¥3,030million   |

# Sustainability Action

In April 2020, UNITED ARROWS LTD. identified 5 themes and 16 materiality items as our sustainability promotion guidelines. In August 2022, UNITED ARROWS named its sustainability action as "SARROWS"; and set three activity goals for the fiscal year ending March 2031: "Circularity (Circular fashion)", "Carbon Neutrality (Toward a carbon-neutral world)", and "Humanity (Work and live in a healthy way)", with numerical targets linked to each category.



## Progress of activity goals

FY2022

### Circularity



Disposal rate of products (%)  
(Target 0.1% / FY2031)

1.0

Percentage of environmentally conscious products(%)  
(Target 50% / FY2031)

2.0

### Carbon Neutrality



Reduction rate of CO<sub>2</sub> emissions (%)  
(Target 30% cut / FY2031)

10.8

Ratio of renewable energy (%)  
(Target 50% / FY2031)

3.2

### Humanity



Rate of Code of Conduct  
for Business Partners consent forms acquired (%)  
(Target 50% / FY2031)

11.6

Employee engagement scores (%)  
(Target 80% / FY2031)

70

# Report Highlights

This section introduces the most important initiatives and data from the "UNITED ARROWS LTD. ESG Data Book 2022".

## Environment

Circularity



We began disclosing information based on the CDP questionnaire during the fiscal year under review, and have responded to CDP Water since 2021 and CDP Climate Change since 2022.

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Carbon Neutrality



In support of the recommendations of the "Task Force on Climate-related Financial Disclosures (TCFD)", we disclosed information based on four core elements of the framework proposed by the TCFD: "Governance", "Strategy", "Risk Management", and "Metrics and Targets", on July 4, 2022.

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Circularity

Participation rate in Reduce Shopping Bag Action

# 1.7%

Many store visitors kindly participate in our "Reduce Shopping Bag Action\*" conducted at stores, which contributes to the reduction of the use of shopping bags and donations to forest conservation organizations.

\*If a customer declines a shopping bag at our store, we donate 10 yen each time to a forest conservation organization through a program implemented at real stores of any of our brands.

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Circularity Carbon Neutrality



We were involved in the launch of the "Japan Sustainable Fashion Alliance (JSFA)", a corporate organization which aims to realize zero fashion-related loss and carbon neutrality and have become an official member. We aim to shift to a sustainable fashion industry by 2050, with aims of realizing "Carbon Neutrality", and "Zero fashion-related loss by way of producing appropriate volume, purchasing appropriate volume, and cyclic use."

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## Social

### Employees

Number of employees (non-consolidated)

**3,826**

1,554 male employees; 2,272 female employees



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### Employees

Number of employees taking childcare leave

**148** including 9 male employees

We expect the number of employees taking childcare leave to increase in the future, in response to the Revised Child Care and Family Care Leave Act enforced in April 2022.

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### Community

Total amount spent on social contribution activities

**4,596** thousand yen

We have continued to implement programs, etc. to donate a portion of sales from applicable products, and total amount spent on social contribution activities has reached 4,596 thousand yen this year.

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### Employees

Percentage of females in managerial positions

**18.3%** (section chief or above)

**28.4%** (store manager or above)

Number of personnel in managerial positions (section chief or above) 104 (85 male employees and 19 female employees)



Number of personnel in managerial positions (store manager or above) 320 (229 male employees and 91 female employees)



We promote women's participation, aiming to achieve the target percentage of women in managerial positions: 30% for section chief or above and 40% for store manager or above.

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### Employees

Employee engagement score

**70%**

We conduct an "Employee Satisfaction Survey" every year. Based on the average of positive responses to motivational factors such as job satisfaction and approval from others, we have established our own index of "employee engagement", and set a target of 80% by the fiscal year ending March 2031.

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### Supply Chain

Rate of Code of Conduct for Business Partners consent forms acquired

**11.6%**

To establish a responsible procurement and supply chain that will lead to a desirable society and global environment in the future, we formulated a "Code of Conduct for business partners related to product procurement" and started asking our partners to acknowledge and comply with these guidelines. Consent forms answered was 11.6% this year. We are working to raise the rate to 100% by the end of the fiscal year ending March 2031.

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## Corporate Governance

### Governance Structure

Percentage of female Directors

**33.3%**

4 males, 2 females



We are also working to promote gender diversity amongst our Directors. The percentage of female directors is currently 33.3%, 2 female Directors out of 6 Directors.

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### Governance Structure

Percentage of Independent Outside Directors

**50%**

3 Internal Directors, 3 Outside Independent Directors



We have three Outside Directors out of six Directors. All the Outside Directors meet the independence standards of the Tokyo Stock Exchange.

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### Meeting Bodies

Attendance rate of Directors at Board of Directors' meetings

**100%**

The Board of Directors met 18 times during the fiscal year ended March 31, 2022, and the attendance rate was 100%.

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### Meeting Bodies

Attendance rate of Audit and Supervisory Committee members at Audit and Supervisory Board meetings

**100%**

Audit and Supervisory Committee met 13 times during the fiscal year ended March 31, 2022, and the attendance rate was 100%.

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### Meeting Bodies

Attendance rate of Nomination and Compensation Committee members at Nomination and Compensation Committee's meetings

**100%**

Nomination and Compensation Committee met 3 times during the fiscal year ended March 31, 2022, and the attendance rate was 100%.

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# Environment

## 1. Circularity

### 2. Carbon-Neutrality

#### Environmental Policy

In seeking to realize our “Corporate Philosophy”, we consider environmental conservation on a global scale. In pursuit of the activity themes of “Circularity” and “Carbon-Neutrality”, we are working to reduce environmental burden by reducing waste generated through our business activities, promoting the use of environmentally conscious materials, purchasing raw materials in consideration of biodiversity and animal welfare, and promoting the use of renewable energy, etc.

Included in the UNITED ARROWS Group’ Code of Conduct  
<https://www.united-arrows.co.jp/en/about/our-values/>

#### A policy regarding environmental measures required by suppliers.

Included in “Code of Conduct for Business Partners related to product procurement”.

JPN : [https://www.united-arrows.co.jp/wp-content/uploads/2022/11/2203\\_kihan\\_jpn.pdf](https://www.united-arrows.co.jp/wp-content/uploads/2022/11/2203_kihan_jpn.pdf)  
 ENG : [https://www.united-arrows.co.jp/wp-content/uploads/2022/11/2203\\_kihan\\_eng.pdf](https://www.united-arrows.co.jp/wp-content/uploads/2022/11/2203_kihan_eng.pdf)  
 CHS : [https://www.united-arrows.co.jp/wp-content/uploads/2022/11/2203\\_kihan\\_chs.pdf](https://www.united-arrows.co.jp/wp-content/uploads/2022/11/2203_kihan_chs.pdf)

## 1. Circularity Resources and waste

Information disclosure based on CDP’s questionnaire

United Arrows (the Company) has responded to CDP Water since 2021 and CDP Climate Change since 2022.



| Item      | Boundary  | FY2022           | FY2023 | FY2024                          |
|-----------|---|------------------|--------|---------------------------------|
| Resources | Volume of packaging material used (t)<br>*Containers and packaging made of plastic, paper and cardboard   | Non-consolidated | 386    |                                 |
|           | Participation rate in Reduce Shopping Bag Action (%)<br>*Percentage of shoppers declining paper bags at physical stores   | Non-consolidated | 1.7    |                                 |
|           | Volume of water used (m³)<br>*Head Office and part of stores  | Non-consolidated | 2,763  |                                 |
|           | Percentage of environmentally conscious products (%) (Target 50% / FY2031)<br>*Number of product codes that satisfy certain standards ÷ Number of product codes | Non-consolidated | 2.0    | 2022 spring and summer products |
| Waste     | Products disposal ratio(%)<br>(Target 0.1% / FY2031)<br>*Cost of products subject to disposal ÷ Cost of product procurement                                     | Non-consolidated | 1.0    |                                 |



# Environment

- 1. Circularity
- 2. Carbon-Neutrality

## 2. Carbon Neutrality Climate change

Information disclosure based on CDP's questionnaire

The Company has responded to CDP Water since 2021 and CDP Climate since 2022.



Information disclosure based on TCFD recommendations

[https://www.united-arrows.co.jp/wp-content/uploads/2022/11/220930\\_en\\_TCFD.pdf](https://www.united-arrows.co.jp/wp-content/uploads/2022/11/220930_en_TCFD.pdf)



Acquisition of SBT Certification

The Company's application is being processed for SBT Certification for the targets for reducing greenhouse gas emissions by FY2031.

| Item                                  | Boundary   | FY2022           | FY2023     | FY2024 |
|---------------------------------------|--|------------------|------------|--------|
| Volume of energy used                 | Volume of gas used (m <sup>3</sup> )<br>*Head Office and part of stores  | Non-consolidated | 259,135    |        |
|                                       | Steam, hot water, and cold water usage (GJ)<br>*Head Office and part of stores   | Non-consolidated | 6,361      |        |
|                                       | Electricity used (kWh)<br>*Head Office and part of stores  | Non-consolidated | 16,719,025 |        |
|                                       | Usage rate of renewable energy(%)<br><span style="color: red;">(Target 50% / FY2031)</span><br>*Number of stores using renewable energy ÷ Number of stores   | Non-consolidated | 3.2        |        |
| Greenhouse gas emissions              | Scope 1 emissions (t-CO <sub>2</sub> )<br><span style="color: red;">(Target 30%Cut / FY2031)</span> Vs. : 681 t-CO <sub>2</sub> / FY2020   | consolidated     | 580        |        |
|                                       | Scope 2 emissions (t-CO <sub>2</sub> )<br><span style="color: red;">(Target 30%Cut / FY2031)</span> Vs. : 9,075 t-CO <sub>2</sub> / FY2020   | consolidated     | 8,126      |        |
|                                       | Scope 3 emissions (t-CO <sub>2</sub> )<br><span style="color: red;">Target 15%Cut / FY2031</span> Vs. : 303,228 t-CO <sub>2</sub> / FY2020<br>*The Company has set FY2020 as the base year of the targets for reducing greenhouse gas emissions. | consolidated     | 252,919    |        |
| Environmental education for employees | Number of times that educational videos were distributed   | Non-consolidated | 17         |        |

# Social

- 1. Employees
- 2. Community
- 3. Supply Chain

## Policy

At UNITED ARROWS LTD., where every member of this diverse team shares a common “corporate philosophy (goal)”, we are working together to realize human capital management. In addition, we will not only conduct business with our suppliers on an equal footing with a spirit of gratitude, but will also continue to demonstrate synergies with them and grow by learning and innovating together.

### • Employees

#### Creation of employee value

<https://www.united-arrows.co.jp/en/about/our-values/>

#### Policy on respect for human rights, prohibition of discrimination and others

<https://www.united-arrows.co.jp/en/about/our-values/>

#### Efforts to promote women's participation and advancement (Japanese Only)

<https://positive-ryouritsu.mhlw.go.jp/positivedb/detail?id=3385>

### • Community

#### Creation of social value

<https://www.united-arrows.co.jp/en/about/our-values/>

### • Supply Chain

#### Creation of business partner value

<https://www.united-arrows.co.jp/en/about/our-values/>

#### Behavioral Guidelines for Business Partners Related to Product Procurement



JPN : [https://www.united-arrows.co.jp/wp-content/uploads/2022/11/2203\\_kihan\\_jpn.pdf](https://www.united-arrows.co.jp/wp-content/uploads/2022/11/2203_kihan_jpn.pdf)

ENG : [https://www.united-arrows.co.jp/wp-content/uploads/2022/11/2203\\_kihan\\_eng.pdf](https://www.united-arrows.co.jp/wp-content/uploads/2022/11/2203_kihan_eng.pdf)

CHS : [https://www.united-arrows.co.jp/wp-content/uploads/2022/11/2203\\_kihan\\_chs.pdf](https://www.united-arrows.co.jp/wp-content/uploads/2022/11/2203_kihan_chs.pdf)

## 1. Employees

### Employee data

| Item  | Boundary       | FY2022           | FY2023       | FY2024  |
|---|----------------|------------------|--------------|---|
| <b>Basics</b>   |                |                  |              |   |
| <b>Number of employees (Persons)</b>  |                |                  |              |   |
| *The number of employees represents the number of people working for the group and includes 619 employees working short time. The number of part-time employees is stated in brackets and is not included in the number of employees.   | consolidated   | 4,213<br>(355)   |              |   |
| <b>Number of employees (Persons)</b>  |                |                  |              |   |
| *The number of employees represents the number of people working for the Company and includes 590 employees working short time. The number of part-time employees is stated in brackets and is not included in the number of employees. |                |                  |              | Total: 3,826 (15) (Non-consolidated)  |
|   |                |                  |              |  |
| <b>Number of full-time employees (Persons)</b>  |                |                  |              | Total: 3,706 (Non-consolidated)   |
|   |                |                  |              |  |
| <b>Full-time employees Composition ratio in each job category (Persons)</b>   | Stores Offices | Non-consolidated | 2,628<br>781 |   |
| <b>Number of non-regular employees (Persons)</b>  |                | Non-consolidated | 135          |   |
| *The number of non-regular employees is the total of contract employees, short-time contract employees and part-time employees.   |                |                  |              |   |
| <b>Number of non-Japanese employees (Persons)</b>   | consolidated   |                  | 13           |   |

# Social

- 1. Employees
- 2. Community
- 3. Supply Chain

## 1. Employees

Employee data

| Item   | Boundary                               | FY2022               | FY2023 | FY2024   |
|--|--|----------------------|--------|--|
| Age and number of years of service                 | Total                                  | Non-consolidated     |        | 34   |
|  | Average age (Age)                      | Male                 | 36     |  |
|  | Female                                 | 33                   |        |  |
| Average years of service (Year)                    | Total                                  | Non-consolidated     |        | 10 years and 2 months                              |
|  | Male                                   | 8 years and 4 months |        |  |
|  | Female                                 | 9 years and 1 months |        |  |
| Number of employees leaving the Company (Persons)  | Annual                                 | Non-consolidated     |        | Total: 514 (Persons)                               |
|  |  |                      |        |  |
| Managerial position and job titles                 | Number of Executive Officers (Persons) | Non-consolidated     |        | Total: 6 (Persons)                                 |
|  |  |                      |        |  |
| Number of people in managerial positions (Persons) | Section chiefs or above                | Non-consolidated     |        | Total: 104 (Persons)<br>Percentage of female 18.3% |
|  |  |                      |        |  |
| Number of people in managerial positions (Persons) | Store managers or above                | Non-consolidated     |        | Total: 320 (Persons)<br>Percentage of female 28.4% |
|  |  |                      |        |  |

# Social

- 1. Employees
- 2. Community
- 3. Supply Chain

## 1. Employees

Diversity

| Item                      | Boundary  | FY2022                  | FY2023           | FY2024      |
|---------------------------|---|-------------------------|------------------|-------------|
| Female                    | Target percentage of female in managerial positions (%)<br>By March 31, 2026  | Section chiefs or above | Non-consolidated | 30% or more |
|                           |   | Store managers or above |                  | 40% or more |
| Seniors                   | Maximum age for the employment system for employees aged 60 or older (Age)  |                         | Non-consolidated | 65          |
| Persons with disabilities | Employment rate of persons with disabilities (%)  |                         | Non-consolidated | 2.18        |
|                           | Targets regarding the employment rate of persons with disabilities (%)  |                         | Non-consolidated | 2.3         |
| LGBT                      | Track record of using system related to LGBT*<br><small>*The track record of using special leave for weddings and funerals as well as condolence payments among welfare benefits, and special sale programs for employees, each of which is available to applicants for the partnership system.</small> |                         | Non-consolidated | None        |

# Social

- 1. Employees
- 2. Community
- 3. Supply Chain

## 1. Employees

### Work-life balance

| Item  | Boundary   | FY2022           | FY2023           | FY2024 |
|---|--|------------------|------------------|--------|
| Child care, nursing care, etc.  | Number of employees taking leave before and after childbirth (Persons)             | Non-consolidated | 143              |        |
|   | Number of employees taking childcare leave (Persons)                               | Total            | Non-consolidated | 148    |
|   |  | Male             |                  | 9      |
|   |  | Female           |                  | 139    |
|   | Percentage of employees taking childcare leave (%)                                 | Total            | Non-consolidated | 71.8   |
|   |  | Male             |                  | 13.4   |
|   |  | Female           |                  | 100    |
|   | Percentage of employees returning to work from childcare leave (%)                 | Total            | Non-consolidated | 91.4   |
|   | Number of employees using the shorten working hours system for childcare (Persons) | Total            | Non-consolidated | 404    |
|   |  | Male             |                  | 2      |
| Female  |  |                  | 402              |        |
| Number of employees taking nursing care leave (Persons)   | Total  | Non-consolidated | 2                |        |
|   | Male   |                  | 0                |        |
|   | Female   |                  | 2                |        |
| Number of employees using the shorten working hours system for nursing care and medical treatment (Persons) | Total  | Non-consolidated | 0                |        |
|   | Male   |                  | 0                |        |
|   | Female   |                  | 0                |        |
| Number of office workers using a teleworking system (Persons)   | Non-consolidated   | 835              |                  |        |
| Number of employees using the slide work system (Persons)   | Non-consolidated   | 171              |                  |        |

\*Staggered commuting system

# Social

- 1. Employees
- 2. Community
- 3. Supply Chain

## 1. Employees

### Salary, treatment and labor

| Item                           | Boundary   | FY2022 | FY2023           | FY2024 |
|--------------------------------|--|--------|------------------|--------|
| Salary                         | Average annual salary of full-time employees (Thousands of yen)  | Total  | Non-consolidated | 4,054  |
|                                |  | Male   |                  | 4,546  |
|                                |  | Female |                  | 3,772  |
| Holidays                       | Average number of days taken for annual paid leave (Days)  |        | Non-consolidated | 10.9   |
|                                | Percentage of employees taking at least five days of their annual paid leave(%)<br><small>*The denominator is the number of workers who have been granted at least 10 days of statutory annual paid leave.</small> |        | Non-consolidated | 100    |
|                                | Percentage of annual paid holidays taken(%)<br><small>*Number of days taken/Total number of days granted</small>   |        | Non-consolidated | 62.1   |
| Working hours                  | Total annual working hours (Per person/Hour)   |        | Non-consolidated | 1,925  |
|                                | Monthly average overtime hours (Per person/Hour)   |        | Non-consolidated | 10.4   |
|                                | Monthly average working hours in excess of statutory working hours (Per person/Hour)   |        | Non-consolidated | 3.9    |
| Occupational safety and health | Number of work-related fatalities (Persons)  |        | Non-consolidated | 0      |
|                                | Number of occurrences of work-related accidents (Number of cases)  |        | Non-consolidated | 29     |
|                                | Percentage of employees undergoing medical examination (%)   |        | Non-consolidated | 100    |
|                                | Percentage of employees undergoing a stress check (%)  |        | Non-consolidated | 88     |
| Employment                     | Number of new graduates employed (Persons)   | Total  | Non-consolidated | 0      |
|                                | Number of people with prior work experience hired (Persons)  | Total  | Non-consolidated | 36     |
|                                |  | Male   |                  | 17     |
|                                | Female   |        | 19               |        |

# Social

- 1. Employees
- 2. Community
- 3. Supply Chain

## 1. Employees

### Career development Enhancement of employee satisfaction

| Item   | Boundary  | FY2022                                      | FY2023           | FY2024  |
|--|---|---|------------------|---|
| Number of people using major personnel affairs systems, etc. | Annual expenses for training employees (Million yen)  | Non-consolidated                            | 15               |   |
|  | Number of people using the in-house recruitment system (Persons)<br>*A system in which a person can request a transfer to a department that offers a job position   | Non-consolidated                            | -                | In-house recruitment is suspended during FY2022 due to the COVID-19 pandemic. |
|  | Number of people using a second-job system (Persons)  | Non-consolidated                            | 333              |   |
| Measures for enhancing employee satisfaction                 | Employee engagement score (%)   | Average of all items                        | Non-consolidated | 70  |
|  |   | Sense of accomplishment at work             |                  | 64  |
|  | (Target Average of all items 80% / FY2031)  | Approval                                    |                  | 73  |
|  |   | Job satisfaction level                      |                  | 69  |
|  | *Average value of positive responses to motivational factors such as a sense of accomplishment at work or approval  | Delegation of authority                     |                  | 70  |
|  | Number of product codes   | A sense of satisfaction with the evaluation |                  | 66  |
|  |   | A sense of self-growth                      |                  | 75  |
|  | Percentage of employees responding to an attitude survey (%)  | Total                                       | Non-consolidated | 80  |
|  | Number of sessions with the President held (Times)<br>*Dialogue with the President aimed at deepening and spreading employees' understanding of the management philosophy and vision, and enhancing employee motivation | Total                                       | Non-consolidated | 9   |
|  | Number of participants in the President's session (Cumulative total number of persons)  |   | Non-consolidated | 664   |

# Social

1. Employees
2. Community
3. Supply Chain

## 2. Community

| Item                           | Boundary  | FY2022 | FY2023           | FY2024 |
|--------------------------------|---|--------|------------------|--------|
| Social contribution activities | Total amount spent on social contribution activities (thousands of yen) | Annual | Non-consolidated | 4,596  |

## 3. Supply Chain

| Item                               | Boundary  | FY2022                           | FY2023           | FY2024  |
|------------------------------------|---|----------------------------------|------------------|---|
| Creation of business partner value | Number of business partners who participated in QC meetings (Cumulative total number of Companies)  | Annual                           | Non-consolidated | 9   |
|                                    | Percentage of consent letters collected concerning Behavioral Guidelines for Business Partners Related to Product Procurement (%)<br>(Target 100%/FY2031) |                                  | Non-consolidated | 11.6  |
|                                    | Percentage of traceability surveys collected from business partners concerning to materials*1 (%)   | cotton<br>materials from animals | Non-consolidated | 70.6<br>2021 Fall and winter products<br>100<br>2021 Fall and winter products |
|                                    | Percentage of surveys collected from business partners concerning to work environment of technical intern *2 (%)  |                                  | Non-consolidated | 100   |
| Quality control                    | Number of incorrect product descriptions displayed (Number of cases)  | Annual                           | Non-consolidated | 3   |
|                                    | Number of cases contaminated with hazardous substances (Number of cases)  | Annual                           | Non-consolidated | 1   |

\*1  
Surveys to check whether human rights are protected, such as the working environment concerning cotton, and whether procurement methods are appropriate concerning materials from animals. The subjects are private label brands and OEM products (products manufactured by other companies and sold under our brand names).

\*2  
Answers to a questionnaire regarding responsible procurement, including consideration for the human rights of workers, by domestic business partners/OEM products (products manufactured by other companies and sold under our brand names).



# Corporate Governance

1. Governance structure
2. Meeting bodies
3. Compensation
4. Compliance
5. Information security

## Policy

In order to realize our “Corporate Philosophy” and “Our Commitment to Creating Five Values”, we will continue to enhance our corporate governance as we believe it is essential to establish a transparent and fair management structure and a framework which enables swift and daring decision-making. Through the promotion of these initiatives, we aim to enhance our corporate value on a long-term and continuous basis.

Corporate governance policy  
Corporate governance report  
<https://www.united-arrows.co.jp/en/ir/governance/>

## 1. Governance Structure

As of June 27, 2022

| Item  | FY2022               | FY2023 | FY2024 |
|---|----------------------|--------|--------|
| Number of Directors (Persons / %)                                       | Total                | 6      |        |
|   | Male                 | 4      |        |
|   | Female               | 2      |        |
|   | Percentage of female | 33.3   |        |
| Number of Directors/<br>Internal (Persons / %)                          | Total                | 3      |        |
|   | Male                 | 3      |        |
|   | Female               | 0      |        |
|   | Percentage of female | 0      |        |
| Number of Directors/<br>Independent Outside (Persons / %)               | Total                | 3      |        |
|   | Male                 | 1      |        |
|   | Female               | 2      |        |
|   | Percentage of female | 66.7   |        |
| Number and percentage of<br>Independent Outside Directors (Persons / %) | 3                    | 50     |        |
| Term of office of Directors/<br>Internal (Year)                         | 1                    |        |        |
| Term of office of Directors/<br>Independent Outside (Year)              | 2                    |        |        |

# Corporate Governance

1. Governance structure
2. Meeting bodies
3. Compensation
4. Compliance
5. Information security

## 1. Governance Structure

As of June 27, 2022

| Item  |                      | FY2022 | FY2023 | FY2024 |
|---|----------------------|--------|--------|--------|
| Number of Nomination and Compensation Committee members (Persons / %)                       | Total                | 4      |        |        |
|   | Male                 | 2      |        |        |
|   | Female               | 2      |        |        |
|   | Percentage of female | 50     |        |        |
| Number of Nomination and Compensation Committee members / Internal (Persons / %)            | Total                | 1      |        |        |
|   | Male                 | 1      |        |        |
|   | Female               | 0      |        |        |
|   | Percentage of female | 0      |        |        |
| Number of Nomination and Compensation Committee members / Independent Outside (Persons / %) | Total                | 3      |        |        |
|   | Male                 | 1      |        |        |
|   | Female               | 2      |        |        |
|   | Percentage of female | 66.7   |        |        |
| Number and percentage of Directors who are Executive Officers (Persons / %)                 |                      | 3      | 50     |        |
| Average age of Directors /including Independent Outside Directors (Age)                     |                      | 50.3   |        |        |

# Corporate Governance

1. Governance structure
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## 1. Governance Structure

As of June 27, 2022

| Item   |                      | FY2022 | FY2023 | FY2024 |
|--|----------------------|--------|--------|--------|
| Term of office of Executive Officers (Year)  |                      | 1      |        |        |
| Number of Executive Officers (Persons / %)   | Total                | 6      |        |        |
|  | Male                 | 6      |        |        |
|  | Female               | 0      |        |        |
|  | Percentage of female | 0      |        |        |
| Number of Audit and Supervisory Committee members (Persons / %)                      | Total                | 3      |        |        |
|  | Male                 | 1      |        |        |
|  | Female               | 2      |        |        |
|  | Percentage of female | 66.7   |        |        |
| Number of Audit and Supervisory Committee members /Internal (Persons / %)            | Total                | 0      |        |        |
|  | Male                 | 0      |        |        |
|  | Female               | 0      |        |        |
|  | Percentage of female | 0      |        |        |
| Number of Audit and Supervisory Committee members /Independent Outside (Persons / %) | Total                | 3      |        |        |
|  | Male                 | 1      |        |        |
|  | Female               | 2      |        |        |
|  | Percentage of female | 66.7   |        |        |

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## 2. Meeting Bodies

| Item   |                                       | FY2022 | FY2023 | FY2024 |
|--|---------------------------------------|--------|--------|--------|
| Board of Directors   | Number of meetings held (Times)       | 18     |        |        |
|  | Attendance rate(%)                    | 100    |        |        |
| Attendance rate of Independent Outside Directors at Board of Directors meetings (%)  |                                       | 100    |        |        |
| Number of Directors whose attendance rate at Board of Directors meetings is 75% or less (Persons)                            |                                       | 0      |        |        |
| Audit and Supervisory Committee  | Number of meetings held (Times)       | 13     |        |        |
|  | Attendance rate(%)                    | 100    |        |        |
| Number of Committee members whose attendance rate at Audit and Supervisory Committee meetings is 75% or less (Persons)       |                                       | 0      |        |        |
| Nomination and Compensation Committee  | Number of meetings held (Times)       | 3      |        |        |
|  | Attendance rate(%)                    | 100    |        |        |
| Number of Committee members whose attendance rate at Nomination and Compensation Committee meetings is 75% or less (Persons) |                                       | 0      |        |        |
| Sustainability Committee   | Number of Committee members (Persons) | 9      |        |        |
|  | Number of meetings held (Times)       | 10     |        |        |
| Risk Management Committee  | Number of Committee members (Persons) | 3      |        |        |
|  | Number of meetings held (Times)       | 13     |        |        |
| Compliance Committee   | Number of Committee members (Persons) | 3      |        |        |
|  | Number of meetings held (Times)       | 4      |        |        |

# Corporate Governance

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## 2. Meeting Bodies

As of June 27, 2022

### Composition of Each Committee

● Committee Member ○ Observers, etc.

|  |                     | Audit and Supervisory Committee | Voluntarily established               |                          |                           |                      |
|--|---------------------|---------------------------------|---------------------------------------|--------------------------|---------------------------|----------------------|
|  |                     |                                 | Nomination and Compensation Committee | Sustainability Committee | Risk Management Committee | Compliance Committee |
| Internal Directors                         | Yoshinori Matsuzaki | -                               | ●                                     | Chairperson              | Chairperson               | Chairperson          |
|  | Tatsuya Kimura      | -                               | -                                     | ●                        | ●                         | ●                    |
|  | Hiroyuki Higashi    | -                               | -                                     | ●                        | ●                         | ●                    |
| Independent Outside Directors              | Yukari Sakai        | Chairperson                     | Chairperson                           | ○                        | ○                         | ○                    |
|  | Yusaku Kurahashi    | ●                               | ●                                     | -                        | ○                         | ○                    |
|  | Shiho Takano        | ●                               | ●                                     | -                        | ○                         | ○                    |
| Executive Officers, General Managers, etc. |                     | -                               | -                                     | ● (6 persons)            | ○ (17 persons)            | ○ (17 persons)       |

# Corporate Governance

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## 3. Compensation

| Item   |                             | FY2022 | FY2023 | FY2024 |
|--|-----------------------------|--------|--------|--------|
| Director compensation (Million yen)<br>excluding Independent Outside Directors     | Total amount                | 168    |        |        |
|  | Basic compensation          | 107    |        |        |
|  | Stock compensation          | 60     |        |        |
|  | Bonus                       | -      |        |        |
|  | Retirement benefits         | -      |        |        |
| Independent Outside Director<br>compensation (Million yen) <sup>Independent</sup>  | Total amount                | 33     |        |        |
|  | Basic compensation          | 33     |        |        |
|  | Stock compensation          | -      |        |        |
|  | Bonus                       | -      |        |        |
|  | Retirement benefits         | -      |        |        |
| Total compensation for Directors (Million yen)<br>Internal and Independent Outside |                             | 201    |        |        |
| Fees for Accounting Auditor (Million yen)  | Total amount                | 52     |        |        |
|  | Fees for audit services     | 49     |        |        |
|  | Fees for non-audit services | 3      |        |        |

# Corporate Governance

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## 4. Compliance

| Item  | FY2022 | FY2023 | FY2024 |
|---|--------|--------|--------|
| Establishment of a point of contact for consultation related to the internal whistleblower system (Internal)            | Yes    |        |        |
| Establishment of a point of contact for consultation related to the internal whistleblower system (Outside the Company) | Yes    |        |        |
| Number of reports received through the system (Number of cases)   | 18     |        |        |
| Number of violations of laws and regulations and amount of fines (Number of cases / Yen)                                | 0      | 0      |        |

## 5. Information Security

Security policy for information systems <https://www.united-arrows.co.jp/en/security/>

Establishment of a privacy policy <https://www.united-arrows.co.jp/en/policy/>

| Item  | FY2022 | FY2023 | FY2024 |
|---|--------|--------|--------|
| Number of information security violations and the amount of fines (Number of cases / Yen) | 0      | 0      |        |