



ESG Policy

ESG Policy (Environmental, Social and Governance Policy)

With X Partners Co., Ltd.

1. Philosophy

With X Partners Co., Ltd. (“the Company”) is an independent private equity firm focused on buyout investments in small and medium-sized enterprises (SMEs) in Japan, with the objective of achieving sustainable enhancement of corporate value.

Under the philosophy of “With × X (Co-Creation)”, the Company works closely with investee company management to foster alignment among employees, management teams, and shareholders. Through such collaboration, the Company seeks to realize long-term corporate growth and the creation of social value.

The Company believes that the fundamental source of corporate value lies in people and organizations. Accordingly, it pursues value creation-oriented investments with a strong emphasis on the maximization of human capital (Social) and the enhancement of governance (Governance). In addition, environmental responsibility (Environmental) is incorporated as an integral element of management support, contributing to the development of a sustainable society.

2. Purpose of ESG

Through the promotion of ESG initiatives in its investment activities, the Company aims to achieve the following objectives:

1. To support the sustainable growth of investee companies and enhance their medium- to long-term corporate value.
2. To collaborate with investee company management teams to identify and address non-financial issues.
3. To ensure transparent disclosure to investors and other stakeholders.
4. To position ESG not merely as a risk management tool, but as a source of value creation.

3. Basic ESG Principles

The Company regards ESG as both a foundation of its investment activities and a means of creating corporate value, and operates in accordance with the following principles.

(1) Early Identification and Appropriate Management of Risks

- From the investment consideration stage, ESG factors are assessed to identify, exclude,

or mitigate risks such as environmental damage, human rights violations, anti-social activities, and legal or regulatory non-compliance.

- Considering the information asymmetry inherent in unlisted companies, potential ESG risks are identified and made transparent through ESG due diligence and the use of structured ESG checklists.

(2) Value Co-Creation with Investee Companies

- The Company emphasizes alignment with employees, management teams, and shareholders of investee companies, and reflects ESG improvement initiatives in medium- to long-term management plans and key performance indicators (KPIs).
- Through strengthening human capital and organizational culture, the Company supports sustainable growth and enhances the social trust in investee companies.

(3) Monitoring and Continuous Improvement

- Following investment, the Company monitors ESG progress on an ongoing basis, primarily through annual reviews, and establishes a cycle for identifying and addressing issues.
- Improvement results and KPIs are tracked quantitatively and disclosed to investors and stakeholders as part of the Company's accountability, while also being reflected in enhancements to the Company's own management and operational framework.

(4) Transparency and Accountability

- The Company appropriately discloses its ESG policies, initiatives, and outcomes to investors and other stakeholders.
- The Company believes that enhanced transparency contributes to increased trust in both the Company and its investee companies.

4. Integration of ESG into the Investment Process

The Company integrates ESG considerations throughout the entire investment lifecycle, with the dual objectives of mitigating risks and creating value at investee companies.

An ESG checklist is used both at the time of investment and during annual monitoring, enabling continuous evaluation and improvement from both quantitative and qualitative perspectives.

5. ESG in Each Stage of the Investment Process

(1) Screening

- At the investment consideration stage, ESG risks are identified at an early stage and material exclusion factors are assessed.
- Using ESG checklists, the Company screens for any involvement in anti-social activities,

environmental pollution, human rights violations, and material legal or regulatory breaches, and reflects the results in its initial investment decision.

(2) Due Diligence

- The Company conducts a detailed assessment of ESG conditions at potential investee companies to identify areas for improvement.
- Where appropriate, external specialists are engaged to conduct environmental, human resources, or legal due diligence, and the findings are incorporated into the ESG checklist.
- ESG considerations are formally included as part of the deliberation items at the Investment Committee.

(3) Post-Investment Value Creation

- Following the execution of investment agreements, ESG improvement targets are incorporated into management plans and KPIs.
- The Company participates in board and management meetings by appointing outside directors or serving in similar roles, and monitors the implementation of initiatives related to occupational safety, diversity, and governance.
- Hands-on support is provided as needed in areas such as human capital development, reduction of environmental impact, and strengthening of internal controls.

(4) Monitoring (Annual Monitoring)

- During the investment period, the Company records ESG improvement progress based on the ESG checklist, in principle on an annual basis.
- The ESG Committee compiles the results into an annual report. In the event of a material ESG-related risk, the matter is promptly reported to the Board of Directors and investors.

(5) Exit

- At the time of exit, the Company evaluates ESG improvement outcomes and the achievement status of KPIs during the holding period, records them in the ESG checklist, and quantitatively assesses their contribution to corporate value.
- These results are reflected in reports to investors and are used as feedback to improve the Company's overall ESG management process.

6. Governance Structure

- The Company has established an ESG Committee, chaired by the Representative Director (CEO), to oversee the implementation and continuous improvement of ESG policies.
- The Committee convenes at least once a year to review the ESG activities of investee companies, progress against KPIs, and responses to material risk events.

- Where appropriate, advice from external experts is obtained to further enhance the effectiveness of its ESG initiatives.
- Under the supervision of the ESG Committee, ESG checklists and monitoring frameworks are maintained and reviewed on a regular basis.

7. Disclosure and Transparency

The Company compiles ESG activities and progress on an annual basis and reports them at investor meetings and, where appropriate, through public disclosure.

In the event of a material ESG-related incident, the Company promptly reports the matter to investors.

The Company supports the principles of the United Nations Principles for Responsible Investment (UN PRI) and, as a signatory, promotes its ESG initiatives accordingly.

8. Continuous Improvement

Social expectations and regulatory environments surrounding ESG are continuously evolving. The Company will periodically review this Policy in light of international developments and enhance its ESG practices accordingly.

The Company also actively incorporates feedback from internal and external stakeholders to promote ESG management that is both effective and transparent.

9. Establishment and Amendment

The establishment, amendment, or abolition of this Policy shall be determined by decision of the Representative Director (CEO).

Established on October 29, 2025

Amended on August 6, 2026