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Juroku Financial Group, Inc.

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Securities code: 7380

<https://www.16fg.co.jp/english/>

The corporate governance of Juroku Financial Group, Inc. (the “Company”) is described below.

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

1. Basic Views

The Company and its subsidiaries (hereinafter the “Group”) shall, under the “Group Management Philosophy” representing the Group’s fundamental spirit that guides all officers and employees, serve our customers and the local community as an entity essential to their welfare based on our hitherto earned tradition and trust, thereby contributing to materializing sustainable growth and affluent future. Meanwhile, we have formulated a Long-Term Vision that will serve as a compass for future group management in the belief that it is essential to envision the desirable shape of our future based on such management philosophy and to proactively reform ourselves toward materializing such future.

[Group Management Philosophy]

- ☐ Mission: Achieving growth and prosperity for our customers and the local community
- ☐ Vision: To become a comprehensive financial group that creates the future of the community together and achieves sustainable growth together
- ☐ Values: “Trust & Integrity,” “Creation & Innovation,” and “Diversity & Inclusion”

[Long-Term Vision] April 2023 to March 2033 (10 years)

- ☐ Theme: Staying Ahead of the Curve to Always Serve the Region
- ☐ Driven by our Purpose of “achieving growth and prosperity for our customers and the local community,” we aim to contribute to the local community (“customers,” “officers and employees,” and “shareholders”) by achieving Sustainability (i.e., creating social value) and Growth (i.e., creating economic value).

We believe that ensuring trust in our soundness in all aspects is an essential requirement for the management of the Group, which is centered on financial institutions. The foundation for this is the organizational and management structure and systems of the entire Group, including the Company. We regard the appropriate development of these systems and the enhancement of corporate governance as one of our most important management priorities.

Based on these concepts, the Board of Directors has established a “Basic Policy on Corporate Governance.”

The “Basic Policy on Corporate Governance” is posted on the Company’s website.

(<https://www.16fg.co.jp/company/governance/>) (Japanese only)

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company complies with all principles of the Corporate Governance Code (revised as of June 2021).

[Disclosure Based on each Principle of the Corporate Governance Code] [Updated]

[Principle 1.4] (Cross-Shareholdings)

<Policy concerning cross-shareholdings>

The Group’s basic policy is to reduce its cross-shareholdings, taking into full account capital efficiency, so that the associated risks do not become excessive in relation to the Group’s financial soundness. If it is determined that such cross-shareholdings

contribute to the medium- to long-term enhancement of the corporate value of the Group and its business partners, rather than pursuing only short-term profits as a regional financial institution group, the Company may hold such shares, and the Board of Directors shall periodically review the purpose and economic rationale for such holdings.

Based on this approach, the Group set a target for reducing cross-shareholdings from April 2023 and has been working to reduce holdings through continuous dialogue with the issuers whose shares it holds. From November 2024, the Company has been further reducing its cross-shareholdings based on the following reduction targets.

- (i) The ratio of the value of cross-shareholdings on the balance sheet (including deemed holdings) to consolidated net assets shall be less than 20% by the end of March 2025.
- (ii) The Company aims to reduce the level of (i) to less than 15% by the end of March 2028, the final year of the Medium-Term Management Plan.

In the event that a business partner that holds the Company's shares as cross-shareholdings expresses an intention to sell the shares, etc., the Company will, in principle, respect such intention without creating any obstacles such as suggesting a reduction in transactions with the Group.

<Verification of the significance and economic rationality of holdings>

For shareholdings as of March 31, 2025, the Company verified both the significance and the economic rationality of each holding at the Board of Directors meeting in May 2025, using September 30, 2024, as the reference date. The review considered factors such as the level of stockholding risk, whether there are transactions with the Group, contributions to the local community, industry advantages, and business partnerships, to determine whether the purpose of holding each stock is being met. The economic rationality was verified by confirming that revenue from transactions with the Group, dividends, and other returns, after deducting holding costs including credit costs, exceeds the cost of holding the shares.

As a result, the Company has concluded that the purpose of holding all shareholdings has been fulfilled and that they remain economically rational.

<Criteria for exercising voting rights>

With respect to the criteria for exercising voting rights for cross-shareholdings, the Group shall exercise its voting rights on proposals submitted by issuers after comprehensively considering the likelihood of medium- to long-term enhancement of the issuer's corporate value and the consistency with the purpose of the Group's holdings. When exercising voting rights, if there are concerns about the content of a proposal or a possibility that it may harm shareholder interests, the Company shall determine its approval or disapproval based on dialogue with the issuing company.

For stocks held for pure investment purposes (including those reclassified from cross-shareholdings), the Company exercises voting rights on each proposal (such as the election of Directors or corporate auditors, appointment of the Accounting Auditor or advisors, increases in executive remuneration limits, appropriation of retained earnings, changes to the investee's financial strategies or business activities, and other matters) with the aim of enhancing investment returns through the improvement of shareholder benefits by promoting medium- to long-term improvements in the corporate value of investees.

<Progress toward reduction targets>

As of March 31, 2025, the value of cross-shareholdings on the balance sheet (including deemed holdings) was 79.2 billion yen, and the ratio to consolidated net assets was 18.7%. The Company achieved its goal of "reducing the ratio to consolidated net assets to less than 20% by the end of March 2025."

See page 28 for information on changes in cross-shareholding balances and consolidated net asset ratios.

Stocks whose investment purpose has been changed from strategic to pure investment are being sold at the discretion of the pure investment department, while monitoring dividend levels and stock prices.

We will continue to explain the status of reduction of cross-shareholdings to investors at IR meetings and to disclose information on our website.

Financial presentation materials (<https://www.16fg.co.jp/english/>)

[Principle 1.7] (Related Party Transactions)

Please refer to Article 16 "Protection of Shareholders' Interests" of the "Basic Policy on Corporate Governance," posted on the Company's website, for details on the procedures and management framework regarding transactions conducted by the Company and its group companies with officers and major shareholders, etc. (related party transactions).

(<https://www.16fg.co.jp/company/governance/>) (Japanese only)

[Supplementary Principle 2.4.1] (Ensuring Diversity in the Appointment of Core Personnel, Etc., Human Resources Development Policy, and Internal Workplace Environmental Policy)

Please refer to "3. Status of Measures to Ensure Due Respect for Stakeholders" under "III. Implementation of Measures for Shareholders and Other Stakeholders" below for details of our initiatives to ensure the diversity of core personnel, our human resource development policy, our internal workplace environment policy, and the status of their implementation.

[Principle 2.6] (Roles of Corporate Pension Funds as Asset Owners)

The Company works to ensure the appropriate management of pension assets through the Juroku Financial Group Corporate Pension Fund (the "Fund") under the following framework.

- In managing the pension fund, the Fund's secretariat is staffed with personnel who have expertise in asset management and related fields.
- The Fund stipulates that important matters such as amendments to the Fund's rules, annual budgets, settlements of accounts, and business reports must be approved by the "Board of Delegates," which consists of an equal number of members appointed by the employer (the Company) and members elected by the participants. The Fund strives to appropriately manage conflicts of interest between corporate pension beneficiaries and the Company.
- The "Asset Management Committee," which is comprised of members with expertise in human resources, finance, risk, and market transactions, deliberates on overall asset management to ensure the efficient management of the Fund's pension assets. The Committee advises the Board of Delegates and provides guidance to Executive Officer responsible for asset management to support the smooth execution of their duties.

[Principle 3.1] (Full Disclosure)

- (1) We have established a "Group Management Philosophy" consisting of "Mission," "Vision," and "Values." We have also formulated a "Long-Term Vision" that will serve as a compass for future group management, as well as a "2nd Medium-Term Management Plan" (plan period: April 2023 to March 2028), which sets out our medium-term management strategy.

Please refer to the "Group Management Philosophy," the "Long-Term Vision," and the "2nd Medium-Term Management Plan," which are available on the Company's website.

Group Management Philosophy: (<https://www.16fg.co.jp/company/philosophy/>) (Japanese only)

Long-Term Vision: (<https://www.16fg.co.jp/company/longvision/>) (Japanese only)

2nd Medium-Term Management Plan: (<https://www.16fg.co.jp/company/management-plan/>) (Japanese only)

- (2) Please refer to the "Basic Policy on Corporate Governance" posted on the Company's website for the Company's basic philosophy and policy on corporate governance.
(<https://www.16fg.co.jp/company/governance/>) (Japanese only)
- (3) Please refer to "Remuneration, etc. for Directors (Article 11)" of the "Basic Policy on Corporate Governance" posted on the Company's website and the appendix titled "Policy on Determination of Remuneration, etc. for Directors" for details of the policy and procedures regarding determination of remuneration, etc. for Directors.
(<https://www.16fg.co.jp/company/governance/>) (Japanese only)
- (4) Please refer to "Role of the Board of Directors (Article 3, Paragraph 2)" and "Determination of Candidates for Directors (Article 10)" of the "Basic Policy on Corporate Governance" posted on the Company's website, as well as the appendix titled, "Policy on Determination of Candidates for Directors," for the procedures by which the Board of Directors selects and dismisses Executive Directors and nominates candidates for Directors (including Directors who are Members of the Audit & Supervisory Committee).
(<https://www.16fg.co.jp/company/governance/>) (Japanese only)
- (5) Please refer to the Company's individual Director candidates' past experience and reasons for nomination, which are included in the reference materials for the General Meeting of Shareholders and published on the Company's website.
(<https://www.16fg.co.jp/english/>)

[Supplementary Principle 3.1.3] (Sustainability Initiatives, Etc.)

<Sustainability initiatives>

The Group has formulated a "Sustainability Policy" as its basic policy for sustainability initiatives. In addition, we have set five key challenges (materiality) in the "Juroku Financial Group SDGs Declaration."

Specific initiatives regarding sustainability are disclosed on our website.

Sustainability initiatives (<https://www.16fg.co.jp/sdgs/>) (Japanese only)

<Investment in human capital and intellectual property>

The Company's policy on investing in human capital is to develop human resources in line with its management strategy. For more details, please refer to "3. Status of Measures to Ensure Due Respect for Stakeholders" under "III. Implementation of Measures for Shareholders and Other Stakeholders" below.

With regard to intellectual property, we actively utilize the customer networks and various data accumulated by the Group, as well as knowledge and know-how gained through collaboration with other industries, to support the Group's growth and provide added value to our customers. Each Group company has designated a department in charge of managing and utilizing intellectual property rights such as trademarks for product names and service names.

<Addressing climate change>

The Company recognizes that addressing climate change is an important management challenge and has endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We strive to identify the opportunities and risks associated with climate change and are advancing appropriate disclosures in line with the TCFD recommended disclosure framework, including governance, strategy, risk management, and metrics and targets. In addition, to understand the impact of climate change-related risks on the Group, we conduct scenario analysis for "physical risks," using large-scale

flooding as a risk event, and “transition risks,” using the shift to a decarbonized society as a risk event.

Response to climate change (<https://www.16fg.co.jp/sdgs/tcfd/>) (Japanese only)

[Supplementary Principle 4.1.1] (Scope of Delegation to Management)

Please refer to “Role of the Board of Directors (Article 3)” of the “Basic Policy on Corporate Governance” posted on the Company’s website for the Board of Directors’ approach to matters exclusively decided by the Board and the scope of delegation to Executive Directors, etc.

(<https://www.16fg.co.jp/company/governance/>) (Japanese only)

[Principle 4.9] (Independence Standards and Qualification for Independent Directors)

Please refer to “Criteria for Assessing Independence (Article 9)” of the “Basic Policy on Corporate Governance” posted on the Company’s website, as well as the appendix titled “Criteria for Assessing Independence,” for the standards used to assess the independence of Outside Directors (including Directors who are Members of the Audit & Supervisory Committee).

(<https://www.16fg.co.jp/company/governance/>) (Japanese only)

[Supplementary Principle 4.10.1] (Approach Regarding the Independence of the Committee Composition)

The Company’s Board of Directors comprises at least one-third Outside Directors. To ensure transparency and fairness of the Board of Directors’ decision-making activities, the Company has established a “Management Advisory Board,” which consists of two committees, the “Personnel Affairs Committee” and the “Compensation Committee,” as an advisory body to the Board of Directors. Each committee is chaired by an Outside Director and comprises a majority of Outside Directors.

[Supplementary Principle 4.11.1] (Approach to the Balance of Knowledge, Experience and Skills, Diversity, and Size of the Board of Directors as a Whole)

A skills matrix listing the main skills and experience of the Company’s Directors (including Directors who are Members of the Audit & Supervisory Committee) is provided on the last page of this report

Please refer to “Composition of the Board of Directors (Article 4)” and “Determination of Candidates for Directors (Article 10)” of the “Basic Policy on Corporate Governance” posted on the Company’s website, as well as the appendix titled “Policy on Determination of Candidates for Directors,” for the Company’s approach to Board composition.

In June 2024, the Company’s first female Internal Director was appointed to the Board of Directors. In June 2025, The Juroku Bank, Ltd., the core company of the Group, also appointed its first female Internal Director (Director and Managing Executive Officer).

(<https://www.16fg.co.jp/company/governance/>) (Japanese only)

[Supplementary Principle 4.11.2] (Status of Concurrent Directorships)

To appropriately fulfill their roles, Directors (including those who are Members of the Audit & Supervisory Committee) are required to limit the number of concurrent directorships at other listed companies to a reasonable level. The status of concurrent directorships is disclosed annually in this report and in the “Reference Materials for the Annual General Meeting of Shareholders.”

The status of concurrent directorships at other listed companies as of the date of filing of this report is as follows.

☐ Directors who are not Members of the Audit & Supervisory Committee

Satoko Ito	Representative Director, Ito Satoko Office Outside Director, Sekisui Jushi Corporation External Corporate Auditor, MITANI SANGYO Co., Ltd. Outside Director, IDOM Inc.
Yasushi Ueda	Senior Managing Executive Officer, Group CRO, Meiji Yasuda Life Insurance Company

☐ Directors who are Members of the Audit & Supervisory Committee

Shinji Ishihara	Managing Partner, Ishihara Law Office Representative Director, Aibenkyo Service Co., Ltd. Outside Director, DAIDO METAL CO., LTD.
Satoe Tsuge	Representative, Tsuge CPA Office Representative Director, La Vida Planning Co., Ltd. Outside Director, Aisan Industry Co., Ltd. Outside Director (Audit & Supervisory Committee Member), Hoshizaki Corporation Outside Director, Nippon Air Conditioning Services Co., Ltd.

[Supplementary Principle 4.11.3] (Analysis and Evaluation of the Effectiveness of the Board of Directors as a whole)

The Company annually conducts self-evaluations and analysis of the effectiveness of the Board of Directors, as a measure for improving the administration of the Board of Directors. For FY2024, self-evaluations by all officers were conducted and reviewed by the Board of Directors following consultation with the Management Advisory Board, an advisory body to the Board of Directors.

Please refer to “Evaluations of the Board of Directors (Article 6)” of the “Basic Policy on Corporate Governance” posted on the Company’s website for the Company’s policy regarding evaluations of the effectiveness of the Board of Directors.

(<https://www.16fg.co.jp/company/governance/>) (Japanese only)

<Method for evaluating the effectiveness of the Board of Directors for FY2024, and the summary of the results of evaluation>

(1) Method for evaluating the effectiveness

- A questionnaire was conducted for all 11 Directors in March 2025.
- The questionnaire was comprised comprehensively of multiple-choice questions on the composition, administration and other matters regarding the Board of Directors.

(2) Results of analysis

As a result of tabulating and analyzing the self-assessments, the Company confirmed that the Board of Directors is functioning appropriately, that free, vigorous, and constructive discussions are being held from a Group-wide and medium-to long-term perspective, and that the Board's overall effectiveness has been secured.

All parties concerned shared the determination that the Board of Directors shall, with a view to further strengthening the Board's function and holding more in-depth deliberations, be engaged in continuous efforts to review the contents and quantity of the reference materials for the Board meetings, and provide information on internal agenda items to Outside Directors.

We will continue with our efforts to enhance discussions on important management issues for the sustainable growth of the Group and the enhancement of corporate value over the medium to long term. Furthermore, we will further enhance the effectiveness of the Board of Directors by continuously reviewing the operation of the Board of Directors with Outside Officers.

The Company conducts an evaluation of the effectiveness of the Board of Directors with third-party involvement at least once every three years, and the self-evaluation for FY2023 was conducted with advice from an external organization.

[Supplementary Principle 4.14.2] (Training Policy for Directors)

Please refer to “Policy on Support System for Directors, etc. (Article 13, Paragraphs 1 and 2)” of the “Basic Policy on Corporate Governance” posted on the Company's website for our policy on training Directors (including those Directors who are Members of the Audit & Supervisory Committee).

(<https://www.16fg.co.jp/company/governance/>) (Japanese only)

[Principle 5.1] (Policy for Constructive Dialogue with Shareholders)

Please refer to “Securing the Rights of Shareholders, etc. (Article 15, Paragraph 3)” and the appendix titled “Policy on the Development of a Framework for Dialogue with Shareholders” of the “Basic Policy on Corporate Governance” posted on the Company's website for the Company's policy on constructive dialogue with shareholders.

Opinions and requests received through dialogue with shareholders and investors are reported regularly and as necessary to the Board of Directors. Through ongoing discussions involving outside officers, we strive to reflect these inputs in our management strategies and initiatives to enhance corporate value.

(<https://www.16fg.co.jp/company/governance/>) (Japanese only)

[Status of dialogue with shareholders, etc.]

The Company's sustainability KPIs stipulate that dialogue with investors should be conducted at least 10 times a year. In FY2024, the Company held 35 dialogue sessions with investors. The Company will continue to reinforce initiatives aimed at achieving proactive dialogue and enhancing dialogue content.

Presentation materials for analysts and institutional investors, as well as key Q&A items, are disclosed on the Company's website.

We will continue to enhance our disclosure of details regarding the status of dialogue with shareholders.

Sustainability KPIs (<https://www.16fg.co.jp/sdgs/system/>) (Japanese only)

Financial presentation materials (<https://www.16fg.co.jp/english/>)

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

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update [Updated]	November 27, 2025

Explanation of Actions **[Updated]**

In our “Long-Term Vision” (April 2023 to March 2033 (10 years)), driven by our Purpose of “achieving growth and prosperity for our customers and the local community,” the Company aims to contribute to the local community (“customers,” “officers and employees,” and “shareholders”) by achieving Sustainability (i.e., creating social value) and Growth (i.e., creating economic value). Furthermore, in the “2nd Medium-Term Management Plan” (April 2023 to March 2028 (5 years)), we aim for steady profit growth and a solid financial base by improving profitability, efficiency, and soundness while maximizing Group synergies as a “comprehensive financial group.”

Under the Long-Term Vision and the 2nd Medium-Term Management Plan, the Company is implementing initiatives that lead to “sustainable profit growth,” “improvement of ROE,” and “reduction of cost of shareholders’ equity” to enhance corporate value.

(1) Sustainable profit growth: Achieving the goals of the Long-Term Vision and the 2nd Medium-Term Management Plan.

(2) Improvement of ROE: Improving profitability through top-line growth and cost control, and controlling equity levels through optimal capital allocation and enhancement of shareholder returns.

(3) Reduction of cost of shareholders’ equity: Enhancing information disclosure, including non-financial information, and promoting extensive IR activities.

In November 2025, the Company revised upward the quantitative targets of the Long-Term Vision and the 2nd Medium-Term Management Plan, setting consolidated net income targets for FY2027 and FY2032 at 28.0 billion yen or more and 40.0 billion yen or more, respectively, and aiming for a consolidated ROE of 6% or more for FY2027.

Regarding shareholder returns, while paying attention to further improving our financial strength amidst diversifying risks in financial transactions, our basic policy is to maintain stable dividend payments. We will determine the details of returns by comprehensively considering the management environment and profit levels, using a dividend payout ratio of 30% or more as a guideline.

2. Capital Structure

Foreign Shareholding Ratio	10% or more but less than 20%
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[Status of Major Shareholders]

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	3,718,300	10.36
Custody Bank of Japan, Ltd. (trust account)	1,989,700	5.54
Fuji Baking Group Co., Ltd.	959,700	2.67
Juroku Financial Group Employee Shareholding Association	948,142	2.64
Meiji Yasuda Life Insurance Company	740,595	2.06
Seino Holdings Co., Ltd.	559,571	1.55
STATE STREET BANK AND TRUST COMPANY 505001	503,431	1.40
JP MORGAN CHASE BANK 385781	478,910	1.33
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	469,279	1.30
The Bank of Nagoya, Ltd.	427,539	1.19

Name of Controlling Shareholder, if applicable
(excluding Parent Companies)

Name of Parent Company, if applicable

None

Supplementary Explanation

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market
Fiscal Year-End	March
Business Sector	Banks
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal	100.0 billion yen or more but less than 1 trillion yen

Year	
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Other Special Circumstances which 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

1. Organizational Composition and Operation

Corporate Governance System	Company with an Audit & Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	17
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairperson (excluding those concurrently serving as President)
Number of Directors	10
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Satoko Ito	Other								○			
Yasushi Ueda	From another company								○			
Shinji Ishihara	Lawyer								○			
Satoe Tsuge	CPA								○			

* Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Audit & Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Satoko Ito		○	Although there are ordinary recurring transactions with our consolidated subsidiary, The Juroku Bank, Ltd., as a general depositor, a summary is omitted as the size and nature of these transactions are not considered likely to affect the decisions of shareholders and investors.	Ms. Satoko Ito has extensive experience and knowledge in a wide range of domains such as environmental energy, regional revitalization, ESG and sustainability gained through her career as an anchorperson for news and information programs and a university professor. The Company believes that, by utilizing her extensive experience and a wide range of knowledge, she will contribute to increasing transparency and fairness of the decision-making function and strengthening the supervising function of the Board of Directors from an objective standpoint independent from the management team in order to promote the Group's sustainable growth and improve its medium-to-long term corporate value. Furthermore, she satisfies the criteria for assessing independence as stipulated by the stock exchange, and has been registered as an independent officer, as there is no risk of a conflict of interest with general shareholders.
Yasushi Ueda		○	Although there are ordinary transactions such as deposits between Meiji Yasuda Life Insurance Company, where Mr. Yasushi Ueda serves as Senior Managing Executive Officer and Group CRO, and our consolidated subsidiary, The Juroku Bank, Ltd., these are standard banking transactions and are not considered likely to affect the decisions of shareholders and investors. Accordingly, a summary has been omitted.	Mr. Yasushi Ueda has been engaged in corporate management as Senior Managing Executive Officer and Group CRO of Meiji Yasuda Life Insurance, and has gained extensive experience and a wide range of insight in the financial sector, including risk management. The Company believes that, by utilizing his extensive operational experience and a wide range of knowledge, he will contribute to increasing transparency and fairness of the decision-making function and strengthening the supervising function of the Board of Directors from an objective standpoint independent from the management team in order to promote the Group's sustainable growth and improve its medium-to-long term corporate value. Furthermore, he satisfies the criteria for assessing independence as stipulated by the stock exchange, and has been registered as an independent officer, as there is no risk of a conflict of interest with general shareholders.

Shinji Ishihara	○	○	<p>Although there are ordinary transactions between the Company and its consolidated subsidiaries, The Juroku Bank, Ltd. and Juroku Tokai Tokyo Securities Co., Ltd., a summary has been omitted as the size and nature of these transactions are not considered likely to affect the decisions of shareholders and investors.</p>	<p>As a lawyer, Mr. Shinji Ishihara has a wealth of experience and specialized knowledge of legal affairs in general. He has been serving as the managing partner of Ishihara Law Office since 2011. The Company believes that, by utilizing his extensive experience and a wide range of knowledge, he will contribute to increasing transparency and fairness of the decision-making function and strengthening the supervising function of the Board of Directors from an objective standpoint independent from the management team in order to promote the Group's sustainable growth and improve its medium-to-long term corporate value. Furthermore, he satisfies the criteria for assessing independence as stipulated by the stock exchange, and has been registered as an independent officer, as there is no risk of a conflict of interest with general shareholders.</p>
Satoe Tsuge	○	○	<p>Although there are ordinary recurring transactions with our consolidated subsidiary, The Juroku Bank, Ltd., as a general depositor, a summary is omitted as the size and nature of these transactions are not considered likely to affect the decisions of shareholders and investors.</p>	<p>As a certified public accountant, Ms. Satoe Tsuge has expertise in finance and accounting. More than 20 years have passed since she left Deloitte Touche Tohmatsu LLC, the accounting auditor of the Company, and she is currently the representative of Tsuge CPA Office, which was established in 1999, and the representative director of La Vida Planning Co., Ltd., which was established in 2007. The Company believes that, by utilizing her extensive operational experience and a wide range of knowledge, she will contribute to increasing transparency and fairness of the decision-making function and strengthening the supervising function of the Board of Directors from an objective standpoint independent from the management team in order to promote the Group's sustainable growth and improve its medium-to-long term corporate value. Furthermore, she satisfies the criteria for assessing independence as stipulated by the stock exchange, and has been registered as an independent officer, as there is no risk of a conflict of interest with general shareholders.</p>

[Audit & Supervisory Committee]

Composition of the Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Internal Directors	Outside Directors	Committee Chair
Audit & Supervisory Committee	3	1	1	2	Internal Director

Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee

Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

To ensure the independence of employees assisting the Audit & Supervisory Committee from Directors (excluding Directors who are Members of the Audit & Supervisory Committee) and to ensure the effectiveness of instructions given by the Committee to such employees, the Company's "Basic Policy on the Establishment of an Internal Control System" stipulates the following.

- The consent of the Audit & Supervisory Committee is required for the appointment, transfer, evaluation, and other matters related to employees assisting the Committee.
- Employees assisting the Audit & Supervisory Committee shall exclusively follow the instructions and orders of the Committee.

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

The Audit & Supervisory Committee monitors the status of accounting audits for which it requests reports from the Accounting Auditor, and from time to time holds discussions with the Accounting Auditor to exchange opinions and address issues related to financial reporting.

The Audit & Supervisory Committee receives regular reports from the internal audit department on the status of audits. When the Committee directs the internal audit department to conduct an audit, the department allocates the necessary personnel and cooperates with the Committee to ensure the smooth implementation of audits using the internal control system.

[Voluntary Established Committees]

Voluntary Establishment of Committees equivalent to Nomination Committee or Remuneration Committee

Established

Status of Voluntarily Established Committees, Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Internal Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Personnel Affairs Committee	5	0	2	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Compensation Committee	5	0	2	3	0	0	Outside Director

Supplementary Explanation

A “Management Advisory Board” has been established to provide appropriate involvement and advice to the Board of Directors when considering particularly important matters such as the nomination and compensation of Directors, in order to help ensure greater transparency and fairness in decision-making. The “Management Advisory Board” consists of two committees, the “Personnel Affairs Committee” and the “Compensation Committee.”

○ Personnel Affairs Committee

- (1) Advisory matters: Matters related to the determination of candidates for Director (including Members of the Audit & Supervisory Committee), selection and dismissal of Executive Directors, etc.
- (2) Committee chairperson: Outside Director
- (3) Committee members: two (2) Internal Directors and two (2) Outside Directors
- (4) Meeting frequency: At least once a year in principle (two meetings were held in FY2024, in April and October)
- (5) Attendance (FY2024):

Title	Name	Number of Meetings	Meetings Attended (Attendance Rate)
Chairperson (Representative Director)	Yukio Murase	2	2 (100%)
President (Representative Director)	Naoki Ikeda	2	2 (100%)
Director (Outside), Chairperson	Satoko Ito	2	2 (100%)
Director (Outside)	Yasushi Ueda	2	2 (100%)
Director (Member of the Audit & Supervisory Committee, Outside)	Shinji Ishihara (Note 1)	1	1 (100%)
Director, The Juroku Bank, Ltd. (Outside)	Shigenobu Shimizu (Note 2)	1	1 (100%)

- (6) Secretariat: Secretary's Office

○ Compensation Committee

- (1) Advisory matters: Compensation for Directors (excluding Members of the Audit & Supervisory Committee), evaluation of the effectiveness of the Board of Directors, other important management matters
- (2) Committee chairperson: Outside Director.
- (3) Committee members: two (2) Internal Directors and two (2) Outside Directors
- (4) Meeting frequency: At least once a year in principle (two meetings were held in FY2024, in April and October)
- (5) Attendance (FY2024):

Title	Name	Number of Meetings	Meetings Attended (Attendance Rate)
Chairperson (Representative Director)	Yukio Murase	2	2 (100%)
President (Representative Director)	Naoki Ikeda	2	2 (100%)
Director (Outside)	Satoko Ito	2	2 (100%)
Director (Outside), Chairperson	Yasushi Ueda	2	2 (100%)
Director (Member of the Audit & Supervisory Committee, Outside)	Shinji Ishihara (Note 1)	1	1 (100%)
Director, The Juroku Bank, Ltd. (Outside)	Shigenobu Shimizu (Note 2)	1	1 (100%)

- (6) Secretariat: Secretary's Office

Note 1: Mr. Shinji Ishihara has attended as a member of the Personnel Affairs Committee and the Compensation Committee since the meetings held in October 2024.

Note 2: Mr. Shigenobu Shimizu attended as a member of the Personnel Affairs Committee and the Compensation Committee until the meetings held in April 2024.

Note that Mr. Shigenobu Shimizu resigned as a Director of The Juroku Bank, Ltd. in May 2024.

[Matters Concerning Independent Directors]

Number of Independent Directors	4
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Other Matters Concerning Independent Directors
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[Incentives]

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-Linked Remuneration Scheme, Other
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Supplementary Explanation for Applicable Items
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The Company has introduced performance-linked remuneration and restricted stock-type remuneration to further strengthen management's motivation to improve business performance and corporate value and to reinforce shareholder-oriented management awareness.

(1) Performance-linked remuneration

Performance-linked remuneration is intended to provide incentive for contributing to improving the Group's business performance for each fiscal year, and is geared to the Group's bottom line performance criterion, namely, "net income attributable to owners of the parent (consolidated)." The aggregate amount of performance-linked remuneration for Directors (excluding Outside Directors and Directors who are Members of the Audit & Supervisory Committee) shall be paid within the ceilings stated below, apart from the fixed remuneration.

<Performance-Linked Remuneration>

Net income attributable to owners of the parent (consolidated)	Ceiling of remuneration
¥4.0 billion or less	—
More than ¥4.0 billion but not exceeding ¥6.0 billion	¥30 million
More than ¥6.0 billion but not exceeding ¥8.0 billion	¥40 million
More than ¥8.0 billion but not exceeding ¥10.0 billion	¥50 million
More than ¥10.0 billion but not exceeding ¥12.0 billion	¥60 million
More than ¥12.0 billion but not exceeding ¥14.0 billion	¥70 million
More than ¥14.0 billion but not exceeding ¥16.0 billion	¥80 million
More than ¥16.0 billion but not exceeding ¥18.0 billion	¥90 million
More than ¥18.0 billion but not exceeding ¥20.0 billion	¥100 million
More than ¥20.0 billion	¥110 million

(2) Restricted stock-type remuneration

Restricted stock-type remuneration is intended to provide incentive for continuously enhancing the Company's corporate value while further promoting value-sharing between shareholders, and is paid once a year in principle. Remuneration to be used for delivering restricted shares shall be monetary claims, which shall, in the aggregate but apart from the fixed remuneration and performance-linked remuneration, not exceed 80 million yen per year while the total number of shares to be allotted in a year shall not exceed 40,000 shares.

The stock-based stock option remuneration plan (using stock acquisition rights) was abolished following the introduction of the restricted stock-type remuneration plan.

Persons Eligible for Stock Options

Supplementary Explanation for Applicable Items
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[Director Remuneration]

Status of Disclosure of Individual Director's Remuneration	No Individual Disclosure
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Supplementary Explanation for Applicable Items

Remuneration paid to officers in FY2024 (April 1, 2024 to March 31, 2025) totaled 251 million yen (82 million yen), consisting of 220 million yen (82 million yen) for Directors excluding Members of the Audit & Supervisory Committee and 31 million yen (- million yen) for Directors who are Members of the Audit & Supervisory Committee. Of this total, remuneration paid to Outside Directors was 12 million yen (- million yen) for Outside Directors who are not Members of the Audit & Supervisory Committee and 12 million yen (- million yen) for Outside Directors who are Members of the Audit & Supervisory Committee.

Note: The amount of remuneration for Directors includes performance-linked remuneration of 61 million yen and non-monetary remuneration of 20 million yen for the current fiscal year. Of the remuneration shown above, amounts other than fixed remuneration are shown in parentheses above. In addition, non-monetary remuneration includes amounts recorded as expenses under the restricted stock-type remuneration plan.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Remuneration for Directors comprises three components: a. "fixed remuneration," which is paid monthly commensurate to their roles and responsibilities; b. "performance-linked remuneration," which is paid according to business results for a single fiscal year; and c. "restricted stock-type remuneration," which is designed to motivate and raise morale toward enhancing corporate value and stock price over the medium- to long-term.

Of these components, "performance-linked remuneration" and "restricted stock-type remuneration" are not paid to Outside Directors and Directors who are Members of the Audit & Supervisory Committee.

The amount and distribution of remuneration is determined by resolution of the Board of Directors, following consultation with the Compensation Committee, within the limits specified below and in accordance with the responsibilities and roles of each position. Remuneration for Directors who are Members of the Audit & Supervisory Committee is determined based on the opinions of the Audit & Supervisory Committee.

- The total amount of fixed remuneration is set at up to 330 million yen per year for Directors (excluding Members of the Audit & Supervisory Committee) and up to 80 million yen per year for Directors who are Members of the Audit & Supervisory Committee.
- Performance-linked remuneration is separate from fixed remuneration and is paid within the range determined based on the level of consolidated net income attributable to shareholders of the parent company.
- Restricted stock-type remuneration is separate from fixed remuneration and performance-linked remuneration, and up to 80 million yen of restricted stock is allocated per year.

[Support System for Outside Directors]

To support the execution of duties by Outside Directors, the Company provides advance explanations of board meeting proposals and various information as needed.

To support Directors who are Members of the Audit & Supervisory Committee (including Outside Directors), the Audit & Supervisory Committee's Office has been established and is staffed with a full-time officer.

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

The Company's Board of Directors consists of ten (10) members (seven (7) men and three (3) women), including four (4) Outside Directors. The Board of Directors is chaired by the Chairperson and discusses and decides on matters required by law and important matters and policies related to the management and administration of the Group, and also supervises the execution of duties by Directors. To further ensure transparency and fairness of decision-making activities by the Board of Directors, the Company has established a Management Advisory Board, which consists of two committees, the Personnel Affairs Committee and the Compensation Committee, as an advisory body to the Board of Directors.

The Company has adopted an executive officer system under which executive officers appointed by the Board of Directors are

responsible for the execution of business operations in their respective divisions. Based on important matters and policies decided by the Board of Directors, the Group Management Council, which is chaired by the President and comprises the Deputy President, Director and Senior Managing Executive Officer, and Director and Managing Executive Officer, discusses and decides matters related to business execution in the management and administration of the Group. The Chairperson does not participate in Group Management Council meetings, but devotes his time exclusively to the operation of the Board of Directors, thereby enhancing the Board's supervisory function. This ensures highly effective management oversight by the Board of Directors and prompt decision-making by the management team.

To execute its operations, the Company formulates and implements management plans and corresponding annual operating policies based on the "Group Management Philosophy." Progress on these plans is reported to the Board of Directors in a timely manner, and necessary measures are taken where required. In addition, matters requiring resolution by the Board of Directors are clarified in the "Regulations of the Board of Directors" and the "Regulations on Authority to Make Business Decisions." To ensure sufficient consideration, important matters are discussed by the Group Management Council if necessary. In principle, the Board of Directors meets once a month and the Group Management Council meets twice a month.

The Company has established an Audit & Supervisory Committee. The Audit & Supervisory Committee consists of three (3) members, including two (2) Outside Directors, and in principle meets once a month or as needed. It receives reports from the internal audit department on Group management audits and other matters. In addition, the full-time Audit & Supervisory Committee Member actively participates in major internal meetings and reports on these meetings to the Committee as necessary, thereby enabling the Committee to monitor and audit the Directors' execution of their duties. In addition, an Audit & Supervisory Committee's Office has been established with full-time staff assigned to assist the Committee in its duties and to strive to ensure effective monitoring and auditing of the Directors' execution of their duties.

The activities of the Board of Directors and the Audit & Supervisory Committee for FY2024 are as follows.

(1) State of activities of the Board of Directors

<Number of meetings held>

11

<Attendance>

Title	Name	Number of Meetings	Meetings Attended (Attendance Rate)
Chairperson (Representative Director)	Yukio Murase	11	11 (100%)
President (Representative Director)	Naoki Ikeda	11	11 (100%)
Director	Akihide Ishiguro	11	10 (90%)
Director	Yukiyasu Shiraki	11	11 (100%)
Director	Yoshiaki Bito	11	11 (100%)
Director	Tomoko Shiozaki (Note 1)	9	9 (100%)
Director	Hiroyuki Ota (Note 2)	2	2 (100%)
Director (Outside)	Satoko Ito	11	11 (100%)
Director (Outside)	Yasushi Ueda	11	11 (100%)
Director (Member of the Audit & Supervisory Committee)	Akito Yamashita (Note 1)	9	9 (100%)
Director (Member of the Audit & Supervisory Committee)	Naohiko Ishikawa (Note 3)	2	2 (100%)
Director (Member of the Audit & Supervisory Committee, Outside)	Shinji Ishihara	11	11 (100%)
Director (Member of the Audit & Supervisory Committee, Outside)	Satoe Tsuge	11	11 (100%)

Note 1: Ms. Tomoko Shiozaki and Mr. Akito Yamashita were appointed to the Board of Directors in June 2024 and have attended Board meetings since then.

Note 2: Mr. Hiroyuki Ota retired from the Board of Directors in June 2024 and attended Board meetings until the meeting held in May 2024.

Note 3: Mr. Naohiko Ishikawa resigned from the Board of Directors in June 2024 and attended Board meetings until the meeting held in May 2024.

< Main discussion topics>

- Matters related to management plans (progress of the medium-term management plan (including measures to achieve management conscious of capital costs and share price), progress of the Group's overall budget, etc.)
- Matters related to capital policy and shareholder returns (payment of dividends, share repurchases, etc.)
- Sustainability matters (proceedings at the Sustainability Council, etc.)
- Corporate governance matters (status of corporate governance initiatives, dialogue with shareholders and investors, results of the evaluation and analysis of Board effectiveness, verification of the significance and economic rationale of holding policy investment shares, etc.)
- Risk and compliance matters (identification of top risks, formulation of the Group Compliance Program, Risk Appetite Framework, proceedings of Group Risk and Compliance Meetings, etc.)
- Matters concerning internal audits (formulation of internal audit plans, internal audit results, etc.)

(2) State of activities of the Audit & Supervisory Committee

<Number of meetings held>

11

<Attendance>

Title	Name	Number of Meetings	Meetings Attended (Attendance Rate)
Member of the Audit & Supervisory Committee (Full-time)	Akito Yamashita (Note 1)	9	9 (100%)
Member of the Audit & Supervisory Committee	Shinji Ishihara	11	11 (100%)
Member of the Audit & Supervisory Committee	Satoe Tsuge	11	11 (100%)
Member of the Audit & Supervisory Committee (Full-time)	Naohiko Ishikawa (Note 2)	2	2 (100%)

Note 1: Mr. Akito Yamashita was appointed to the Board of Directors in June 2024 and have attended Board meetings since then.

Note 2: Mr. Naohiko Ishikawa resigned from the Board of Directors in June 2024 and attended Board meetings until the meeting held in May 2024.

<Main matters for consideration>

- Matters to be resolved (determination of the opinion of the Audit & Supervisory Committee on the election of Directors (excluding those who are Members of the Audit & Supervisory Committee), consent to proposals for the election of Directors who are Members of the Audit & Supervisory Committee, reappointment of the Accounting Auditor, preparation of the "Audit Report," determination of oral reports at the General Meeting of Shareholders, selection of the Audit & Supervisory Committee Chairperson and order of succession, selection of full-time, designated, and selected Members of the Audit & Supervisory Committee, the Audit & Supervisory Committee's audit plan and division of duties for FY2024, consent to the amount of remuneration for the Accounting Auditor, prior approval for the provision of non-assurance services by the Accounting Auditor, etc.)
- Matters to be discussed (items stated in the "Audit Report," documents related to matters to be provided electronically, remuneration amounts for Members of the Audit & Supervisory Committee, etc.)
- Matters to be reported (monthly internal audit results, reports from Group Management Council and other meetings, reports of meetings with presidents of subsidiaries and division general managers, reports on the status of audits by Accounting Auditors, etc.)

3. Reasons for Adoption of Current Corporate Governance System

The Company is a company with an Audit & Supervisory Committee.

By adopting the Audit & Supervisory Committee system, we delegate authority for business execution to the Group Management Council, chaired by the President, which strengthens the Board of Directors' management oversight function and enables prompt management decisions, thereby contributing to the sound and sustainable enhancement of the Group's corporate value.

In addition, by granting voting rights on the Board of Directors to Directors who are Members of the Audit & Supervisory Committee, we strengthen the Audit & Supervisory Committee's audit and supervisory functions.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company dispatches convocation notices for the General Meeting of Shareholders earlier than the statutory deadline. Notices of convocation are also posted on the Tokyo Stock Exchange and the Company's website.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	In order to maximize shareholder attendance, we strive to avoid holding the meeting on days with a high concentration of other shareholders' meetings.
Electronic Exercise of Voting Rights	We allow shareholders to exercise their voting rights via the Internet and other means.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	We use the electronic voting platform operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	An English translation of our notices of convocation is prepared and posted on the Tokyo Stock Exchange and the Company's website.
Other	We strive to provide clear explanations to shareholders by visualizing business reports and other materials at the General Meeting of Shareholders.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Regular Investor Briefings held for Individual Investors	In February 2025, the Company held its first "briefing session for individual investors" since its establishment. The session was attended by 70 individual investors. The Company will continue to hold regular briefings for individual investors to explain the Group's growth strategy, shareholder returns, and its governance structure.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds semi-annual briefings for analysts and institutional investors. The briefings will continue to be held on-site and simultaneously livestreamed.	Held
Online Disclosure of IR Information	The Company posts briefing materials for analysts and institutional investors on its website. <URL of the website where IR materials are posted> https://www.16fg.co.jp/english/	
Establishment of Department and/or Placement of a Manager in Charge of IR	Responsible Officer: Group Corporate Planning Division Officer Responsible Division: Group Corporate Planning Division Responsible person: Manager, Group Corporate Planning Division	
Other	The Company continues to hold one-on-one meetings with institutional investors.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company's "Regulations for the Management of Insider Trading" and "Timely Disclosure Rules" stipulate that the interests of investors and other external stakeholders must not be impaired.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p><Sustainability policy></p> <p>The Juroku Financial Group recognizes sustainability initiatives to be an important management challenge. We will strive to solve various social issues such as climate change through our core business of a "provider of comprehensive financial services to the region" and contribute to "achieving growth and prosperity for our customers and the local community," which is our group management philosophy, while aiming at sustainable growth and enhancing the corporate value of the Group.</p> <p><Sustainability Council></p> <p>In order to appropriately address challenges surrounding sustainability, the Company has set up the Sustainability Council, which is chaired by the President. The Council generally meets at least once every three months to deliberate key challenges (e.g., drawing up a policy for implementing initiatives on climate change and other sustainability issues, setting targets and checking progress), and reflects the results to management strategies and risk management. A system has been established to ensure that the content of deliberation at the Council is regularly reported to the Board of Directors at least once every three months for appropriate supervision.</p> <p><Juroku Financial Group SDGs Declaration></p> <p>Five Key Challenges (Materiality)</p> <ul style="list-style-type: none"> • Revitalization of the local economy • Sustainable development of the local community • Environmental conservation and climate change actions • Empowerment of diverse human resources • Advanced governance <p><Responding to climate change></p> <p>The Company has endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and discloses information in accordance with the disclosure framework recommended by the TCFD.</p> <p>With respect to the Group's GHG emissions, the Company has set a goal of achieving carbon neutrality by FY2030, and is implementing energy conservation measures and expanding the introduction of CO₂-free electricity.</p> <p>Our goal is to achieve carbon neutrality for the GHG emissions of our investment recipients by FY2050. The Company supports its customers' decarbonization efforts and contributes to the decarbonization of the region through the provision of decarbonization consulting and sustainable finance products.</p> <p>(https://www.16fg.co.jp/sdgs/tcfid/) (Japanese only)</p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company has established "Timely Disclosure Rules" to provide accurate and prompt information to the Group's stakeholders by disclosing material facts about the Company and its Group companies in a timely manner, ensuring that such information is not selectively disclosed to specific individuals and is communicated in an accurate and understandable manner.

Other

<Ensure diversity in core human resources>

One of the values of the Group's management philosophy is "Diversity & Inclusion," and we aim to maximize the Group's strength by embracing each other's individuality and leveraging diversity. In response, the 2nd Medium-Term Management Plan, covering the period from April 2023 to March 2028, sets forth a "Human Innovation Strategy." Based on the following policies, the Company is working to maximize the value of its human resources and create an organizational environment in which each officer and employee can work autonomously.

(i) Human resource development policy

Under the following principles, the Group will strive to develop human resources who can maximize their capabilities, build relationships of trust with our customers, and proactively take on challenges aligned with the Group's various strategies, to achieve the growth and prosperity of our customers and the community, sustainability, and our long-term vision: "Staying Ahead of the Curve to Always Serve the Region."

- We aim to develop human resources who are rooted in and care about the community, and can maximize their capabilities for the community to achieve the growth and prosperity of the community.
- We aim to develop human resources who can build relationships of trust with our customers by "facing them," "connecting with them," and "supporting them closely" to achieve their growth and prosperity.
- we aim to develop human resources who actively take on challenges aligned with our various strategies, based on our shared values ("Trust & Integrity," "Creation & Innovation," and "Diversity & Inclusion") to achieve sustainability.

(ii) Internal workplace environment development policy

The Group will implement the following initiatives to enhance the motivation and skills of its officers and employees, with a focus on development of human resources, which is the most important aspect of group management. Through these efforts, we aim to build an organizational environment in which each officer and employee can thrive independently.

(1) Integration of business strategy and human resource strategy

- Establishment of a strategic workforce allocation scheme through collaboration between the human resources department and the corporate planning department
- Development and appointment of talent for key positions
- Visualization of capabilities and skills, and optimal placement of personnel

(2) Fostering a challenging organizational culture

- Proper implementation of the new human resources system introduced in April 2023 and the transfer of employees to the holding company
- Enhancing the competency of evaluators to promote the penetration of the new human resources system
- Human resources operations that reduce the emphasis on seniority-based practices

(3) Appropriate investment in human capital

- Strengthening initiatives that contribute to human resource development, such as training
- Treatment with clear distinctions to encourage autonomous behavior
- Encouragement of acquiring specialized qualifications based on strategy
- Development of specialized human resources through external secondments and related programs

(4) Ensuring diversity of human resources and work styles

- Promotion of diversity and diverse, flexible work styles
- Establishment of a location-free work environment
- Enhancing reskilling opportunities for role expansion
- Proactive recruitment of specialized personnel and science and engineering talent

Based on this policy, we have established the following indicators and targets to promote the success of a wide range of diverse talent in addition to our core personnel.

<Indicators and targets>

(i) Indicator: Development of IT/DX human resources (Note 1)

Target: 300 employees by the end of FY2030

FY2024 actual: 238 employees

Other

(ii) Indicator: Holders of Level 3 Carbon Accounting Advisor Certification

Target: 600 employees by the end of FY2025

FY2024 actual: 417 employees

(iii) Indicator: Percentage of male employees taking childcare leave (7 days or more)

(Note 2)

Target: 100% by the end of FY2030

FY2024 actual: 95.4%

(iv) Indicator: Paid leave utilization rate

Target: 80% by the end of FY2030

FY2024 actual: 59.6%

(v) Indicator: Percentage of female managers

Target: 20% by the end of FY2030

FY2024 actual: 11.2%

Note 1: IT/DX human resources refer to persons who have passed higher-level digital certifications or examinations, such as the RISS (Registered Information Security Specialist), the Applied Information Technology Engineer Examination, and the Fundamental Information Technology Engineer Examination, as well as those with at least six months of experience in IT or digital-related work.

Note 2: Calculated based on the number of employees who took at least seven days of childcare leave, including company-designated leave for childcare purposes.

With respect to the above indicators, the Group is working together to create a comfortable working environment and to develop a diverse workforce capable of adapting to an era of change by implementing the following initiatives.

- Implementation of a “Parental Leave Support Program,” which mainly consists of career design training before taking leave, interviews with managers during leave, and follow-up training after returning to work (April 2016)
- Introduction of a half-day annual leave system (April 2016)
- Establishment of in-house childcare facility “Juroku Smile Room” (April 2016)
- Establishment of a spouse childbirth leave system (April 2017)
- Introduction of incentives for obtaining official digital-related certifications (April 2020)
- Recommendation to take programming courses (July 2020)
- Establishment of a system for taking nursing and caregiving leave in hourly increments (January 2021)
- Implementation of reskilling training for administrative staff to expand their job scope (from March 2021)
- Implementation of training to develop personnel capable of building strong relationships of trust with customers (from November 2021)
- Acceptance of personnel from SoftBank Corp. to promote digital transformation (DX), including digital skills development (May 2022)
- Introduction of a new human resources system (April 2023)
- Transfer of all employees employed by The Juroku Bank, Ltd. to the Company (April 2023)
- Introduction of a “retention system” to extend the period during which employees can work shorter hours or be exempt from overtime work for childcare, until their child completes the third grade of elementary school (April 2023)
- Introduction of a “career return system” that allows employees to change their status from an acting managerial position to a regular staff role, upon request, to help balance work with childcare or nursing care responsibilities (April 2023)
- Introduction of a “job return system” to rehire former employees (April 2023)
- Introduction of an “expert system” to enable employees to build specialized professional careers (April 2023)
- Implementation of a personnel exchange program with Tokai Tokyo Financial Holdings, Inc. (October 2023: incoming employees; April 2024: outgoing employees)
- Increase in incentive payments for acquiring advanced certifications and examinations, and expansion of eligible qualifications (April 2024)
- Holding of the “Leadership Institute” to strengthen leadership and management capabilities among middle managers (February to May 2024)

Other

- Implementation of engagement surveys (July 2024, February 2025)
- Holding of the “Retreat Workshop 2024” to develop the next generation of middle managers (November 2024 to March 2025)
- Expansion of eligible qualifications under the self-development qualification acquisition subsidy system (April 2025)

The Juroku Bank, Ltd. has obtained the following certifications in recognition of its initiatives to promote women’s empowerment:

- Certified as an “Gifu Prefecture Excellent Company Promoting Work-Life Balance” by Gifu Prefecture (February 2016)
- “Eruboshi” certification under the Act on the Promotion of Women’s Active Engagement in Professional Life (the first company in Gifu Prefecture to receive this certification) (April 2016)
- Certified as a “Gifu City Collaborative Education and Women’s Empowerment Company” by Gifu City (February 2020)

Recognizing that securing diversity in human capital management is essential for sustainable growth, the Group actively promotes personnel exchanges through external partnerships to foster the engagement of individuals with diverse backgrounds and expertise.

Specifically, the Group accepts personnel from SoftBank Corp. (six (6) employees as of the end of FY2024) and dispatches personnel to SoftBank Corp. (two (2) employees as of the end of FY2024). In addition, it dispatches personnel to its business partners, including Resona Holdings, Inc. (one (1) employee as of the end of FY2024), STATION Ai Corp. (one (1) employee as of the end of FY2024), and Tokai Tokyo Financial Holdings, Inc. (two (2) employees as of the end of FY2024). Furthermore, through various forms of personnel exchange, including collaboration via group company management through joint ventures with Tokai Tokyo Financial Holdings, Inc., Densan System Holdings Co., Ltd., and Nihon M&A Center Holdings Inc., the Group incorporates diverse perspectives and specialized expertise into its organization, thereby strengthening diversity across the entire Group.

- Appointment of foreign nationals to management positions

Currently, there is an extremely low number of foreign national employees* within the Group, and we do not have any specific plans to actively increase the proportion of foreign personnel across the organization. As a result, the pool of foreign employees eligible for management positions is not sufficiently large, and we have determined that it is not practical to set measurable targets at this time.

* Four (4) local staff members at overseas representative offices (as of March 31, 2025)

- Promotion of mid-career hires to management positions

The Group’s recruitment policy places emphasis on long-term human resource development, and as such, the proportion of mid-career hires is currently low. Mid-career hires are also fairly considered for promotion to management positions based on their abilities and performance after joining the company. However, given that mid-career hires represent a small percentage of the overall workforce, we believe that setting measurable targets at this time would not accurately reflect the current situation.

IV Matters Concerning the Internal Control System

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

To ensure the soundness of the Company's operations and those of the Group, the Board of Directors has adopted a "Basic Policy on the Establishment of an Internal Control System" and has established the following framework to ensure operational appropriateness.

An overview of the current operation of the internal control system is provided below.

<Basic Policy on the Establishment of Internal Control Systems>

1. Systems to ensure that the execution of duties by Directors of the Group (which consists of the Company and its consolidated subsidiaries) complies with laws, regulations, and the "Articles of Incorporation"
 - (1) Under the "Group Management Philosophy," the Company shall establish various rules and regulations, including an "Ethics Policy" and the "Compliance Policy," and disseminate them throughout the entire Group. The Company's Directors and Executive Officers shall comply with laws, regulations, and the "Articles of Incorporation" by managing the Company in accordance with these rules and regulations. In addition, the Company shall resolutely confront anti-social forces that threaten the order and safety of civil society and shall establish a framework to sever all relationships with such forces.
 - (2) Directors and Executive Officers of consolidated subsidiaries shall strive to conduct lawful and fair business activities that meet social expectations, based on the Group's common "Group Management Philosophy," "Ethics Policy," and various policies established according to each company's business content and scale. In addition, they shall establish "Compliance Rules" and act in compliance with laws and regulations and with respect for social norms.
2. Systems to retain and manage information concerning the execution of duties by the Company's Directors

To ensure efficient verification of the status of operations, the Company shall establish, implement, and manage rules for handling information and documents (including electronic records) related to the execution of duties, and verify and review compliance with such rules as necessary.

In addition, the Company shall ensure that Directors can access such information and documents as needed.
3. Rules and other systems concerning the Group's management of the risk of loss
 - (1) The Company regards risk management as an important function for ensuring the soundness and safety of management, and establishes various risk-related rules, including the "Integrated Risk Management Policy," to manage risks to the Group comprehensively and systematically. In accordance with these rules, the Company shall appropriately measure and assess risks and improve its risk management framework. In addition, the internal audit department shall establish a system to verify the appropriateness and effectiveness of the risk management framework and shall continuously work to improve it.
 - (2) The Company shall ensure the effectiveness of risk management across the entire Group by designating departments to oversee risks and clarifying the departments responsible for each specific risk. In addition, the Company shall establish an organizational structure such as the Group Risk Compliance Meeting chaired by the President, and shall report or submit matters regarding the status of risks and their management to the Board of Directors on a regular basis or as necessary.
 - (3) Each consolidated subsidiary shall establish a committee in charge of risk management to manage risks appropriately and in an integrated manner, and shall have a framework to report any risk management issues to the Company. In addition, the Company's internal audit department shall conduct audits to monitor the risk management status of consolidated subsidiaries.
4. Systems to ensure the efficient execution of duties by the Group's Directors
 - (1) The Company shall manage the Group's operations based on the management plan, etc. formulated with the "Group Management Philosophy" as a cornerstone.
 - (2) The progress of these plans, etc. shall be reported to the Board of Directors in a timely manner, and necessary actions shall be taken as needed.
 - (3) In addition to clarifying matters to be discussed at meetings of the Board of Directors in the "Regulations of the Board of Directors" and other relevant documents, important matters shall be discussed by the Group Management Council, which comprises Directors in positions of responsibility, as necessary, in order to ensure sufficient consideration of such matters. In addition, the "Regulations on Authority to Make Business Decisions," etc. stipulate the appropriate delegation of authority in accordance with the importance of business operations, etc., in order to improve the efficiency of the execution of duties by the Directors.
 - (4) To strengthen cooperation with consolidated subsidiaries and promote information sharing, the Company's management and the representatives of its consolidated subsidiaries shall regularly exchange opinions to facilitate the efficient resolution of various issues.
 - (5) The Company shall establish regulations concerning top management, organization, and risk management, etc., and provide necessary information to its consolidated subsidiaries to enable them to efficiently establish systems that comply with these regulations.

5. Systems to ensure that the execution of duties by the Group's employees complies with laws, regulations and the "Articles of Incorporation"
 - (1) The Company shall position compliance with laws and regulations as one of the most important matters in its operations and shall establish rules and regulations such as an "Ethics Policy" and "Compliance Policy," as well as a department to oversee and manage them. In addition, a Group Risk Compliance Meeting, chaired by the President, shall be organized to deal with various compliance-related issues.
 - (2) Consolidated subsidiaries shall establish a compliance meeting to properly manage and operate their internal compliance systems and shall have a framework to report any compliance violations to the Company. In addition, the Company's internal audit department shall conduct audits to monitor the compliance systems of consolidated subsidiaries.
 - (3) The Group shall strive to detect violations of laws and regulations at an early stage and prevent their occurrence by establishing an internal reporting system for violations of laws and regulations and other compliance-related matters, as well as a whistleblowing system with external attorneys as direct recipients of information.
6. Systems to ensure the appropriateness of business operations within the corporate group
 - (1) To ensure the proper operation of the Group's businesses, the Company shall establish "Group Management Regulations" and develop a sound and appropriate management system for the Group.
 - (2) The Company shall supervise the status of operations at consolidated subsidiaries by appointing its officers and employees to serve as directors of such subsidiaries and by attending meetings of their Board of Directors.
 - (3) To maintain the soundness of the Group's management, the Company shall establish regulations such as the "Intra-Group Transaction Management Regulations" and maintain a management framework for intra-Group transactions.
 - (4) The whistleblowing system shall operate on a Group-wide basis and allow employees of consolidated subsidiaries to report or consult directly.
 - (5) The Company shall establish a system to ensure the reliability of financial reporting within the Group.
 - (6) The Company's internal audit department shall conduct internal audits of the Company as well as internal audits of Group companies or coordinate with the internal audit departments of Group companies to report the results of such audits to the Board of Directors and the Audit & Supervisory Committee.
7. Systems for reporting matters related to the execution of duties by Directors of consolidated subsidiaries to the Company
 - (1) The Company shall receive reports on the status of the execution of duties by the Board of Directors of consolidated subsidiaries by appointing its officers and employees to serve as Directors of such subsidiaries.
 - (2) In accordance with the "Group Management Regulations," the Company shall request consultations or reports from consolidated subsidiaries on a regular basis or as necessary, in order to accurately grasp their business operations.
 - (3) The Company shall appropriately and in a timely manner grasp the status of its consolidated subsidiaries, promptly report any matters deemed important to the Board of Directors, etc., and take any necessary measures.
8. Employees to assist the Audit & Supervisory Committee if the Audit & Supervisory Committee requests the appointment of such employees to assist its duties

To assist the Audit & Supervisory Committee in its duties, an Audit & Supervisory Committee's Office shall be established, and one or more appropriate personnel shall be assigned as full-time employees. The positions, qualifications, and organization of personnel assigned to such duties shall be determined after hearing the opinions of the Audit & Supervisory Committee.
9. Independence of the above employees from Directors (excluding Directors who are Members of the Audit & Supervisory Committee) and ensuring the effectiveness of instructions given to such employees

The appointment, transfer, and evaluations, etc., of employees who assist the Audit & Supervisory Committee shall require the consent of the Audit & Supervisory Committee. In addition, such employees shall exclusively follow the instructions and orders of the Audit & Supervisory Committee.
10. Systems for reporting to the Audit & Supervisory Committee by officers and employees of the Group and other systems for reporting to the Audit & Supervisory Committee
 - (1) The Audit & Supervisory Committee shall, in accordance with the "Regulations of the Audit & Supervisory Committee," request reports from the Accounting Auditor, Directors, employees of the internal audit department and other relevant personnel as necessary.
 - (2) Officers and employees of the Group, as well as persons who receive reports from them, shall provide necessary reports and information as requested by the Audit & Supervisory Committee.
 - (3) If an officer or employee of the Group discovers any fact that may cause significant damage to the Group, the officer or employee shall report such fact to the Audit & Supervisory Committee.
11. Systems to ensure that a person who makes a report as described in the preceding paragraph is not subjected to any disadvantageous treatment on the grounds of such report

The Group shall prohibit dismissal or any other disadvantageous treatment of a person who makes a report as described in the

preceding paragraph on the grounds of having made such report, and shall take appropriate measures to ensure that no disadvantageous treatment occurs.

12. Policy for handling expenses incurred in the connection with the execution of duties by Members of the Audit & Supervisory Committee

When a Member of the Audit & Supervisory Committee requests reimbursement of expenses incurred in the execution of their duties, the Company shall comply with such request unless it can demonstrate that the expenses were not necessary for the execution of the Member of the Audit & Supervisory Committee's duties.

13. Other systems to ensure that audits by the Audit & Supervisory Committee are conducted effectively

- (1) Members of the Audit & Supervisory Committee may attend important meetings of the Company, including the Group Management Council, and the Audit & Supervisory Committee shall collaborate with the internal audit department and other relevant departments to ascertain the status of the execution of operations within the Group.
- (2) The Audit & Supervisory Committee shall ensure that it has the authority to direct and instruct the internal audit department, including giving necessary and specific instructions.

<Summary of the operation of internal control systems>

1. Compliance and risk management system

The Company regularly or as needed convenes the Group Risk Compliance Meeting and the Group Risk Compliance Committee to confirm that the Group's compliance is being properly implemented, to deliberate and give instructions regarding the Group's compliance framework, to consider necessary measures from the perspective of integrated risk and portfolio management, to monitor the status of integrated risk management, and to deliberate on analysis, evaluation, and improvement activities. The contents of discussions by the Group Risk Compliance Meeting are reported to the Board of Directors.

In addition, consolidated subsidiaries hold compliance and risk management meetings as appropriate, report to their own Board of Directors, and report any incidents of misconduct or risk management issues to the Company in a timely and appropriate manner.

2. Ensuring the appropriateness and efficiency of the execution of duties by Directors

In principle, the Board of Directors meets at least once a month to discuss and decide on matters required by law and important matters and policies related to the management and administration of the Group, and to supervise the execution of duties by the Directors.

In addition, the Group Management Council, which operates under delegation from the Board of Directors, meets as necessary to discuss and decide on matters related to the execution of business operations in the Group's management and administration, based on important matters and policies decided by the Board of Directors.

This ensures highly effective oversight by the Board of Directors and prompt decision-making by the management team.

3. Ensuring the appropriateness of operations within the Group

The Company dispatches officers to consolidated subsidiaries to supervise their operations and the execution of duties by Directors such as through attendance at meetings of the Board of Directors. The Company also holds regular meetings between its management and representatives of consolidated subsidiaries to receive reports on budget progress and activities and to discuss the achievement of management plans and budgets.

In addition, consolidated subsidiaries consult with or report to the Company in a timely and appropriate manner in accordance with the "Group Management Regulations," which stipulate matters to be discussed or reported to the Company. The Company's internal audit department, in cooperation with the internal audit departments of consolidated subsidiaries, reports the results of internal audits of the Group to the Audit & Supervisory Committee.

4. Ensuring the effectiveness of audits by the Audit & Supervisory Committee

The Company holds regular meetings between Representative Directors and Members of the Audit & Supervisory Committee to exchange opinions on various management issues and the status of the audit environment for the Audit & Supervisory Committee audits.

In addition, Members of the Audit & Supervisory Committee confirm that operations are being executed appropriately by attending important meetings, such as Group Management Council meetings, and by reviewing business approval documents. They also strive to ensure the effectiveness of audits by collaborating with the internal audit department and other internal control departments.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

1. Basic views on the elimination of antisocial forces

The Group has established the following “Basic Policy against Antisocial Forces” to exclude any relationships with antisocial forces.

(1) Organizational measures

The Group is fully aware of its social responsibility with regard to antisocial forces and will respond as an entire organization.

(2) Cooperation with external specialized organizations

We will maintain close cooperation with the police, the National Center for Removal of Criminal Organizations, lawyers, and other external experts.

(3) Complete severance of all relationships, including business transactions

We will sever all relationships with antisocial forces, including business transactions.

(4) Civil and criminal legal response in emergencies

We will take both civil and criminal legal action against any unreasonable demands from antisocial forces.

(5) Prohibition of providing funds or benefits

Under no circumstances will we provide any funds or benefits to antisocial forces.

2. Status of establishment of systems for eliminating antisocial forces

Based on the above basic policy, the Company and its group companies have established “Regulations for Responding to Antisocial Forces” to enhance their organizational capacity to eliminate relationships with antisocial forces.

In addition, based on the above basic policy and the “Regulations for Responding to Antisocial Forces,” the Company has established the following framework.

(1) The Group Risk Management Division shall have overall responsibility for managing the Group’s response to antisocial forces.

(2) The Group Risk Management Division shall report regularly to the Group Risk Compliance Meeting on the status of the Group’s initiatives against antisocial forces.

(3) The Group Risk Management Division shall disseminate the contents of these regulations internally.

I Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation for Applicable Items	

2. Other Matters Concerning the Corporate Governance System

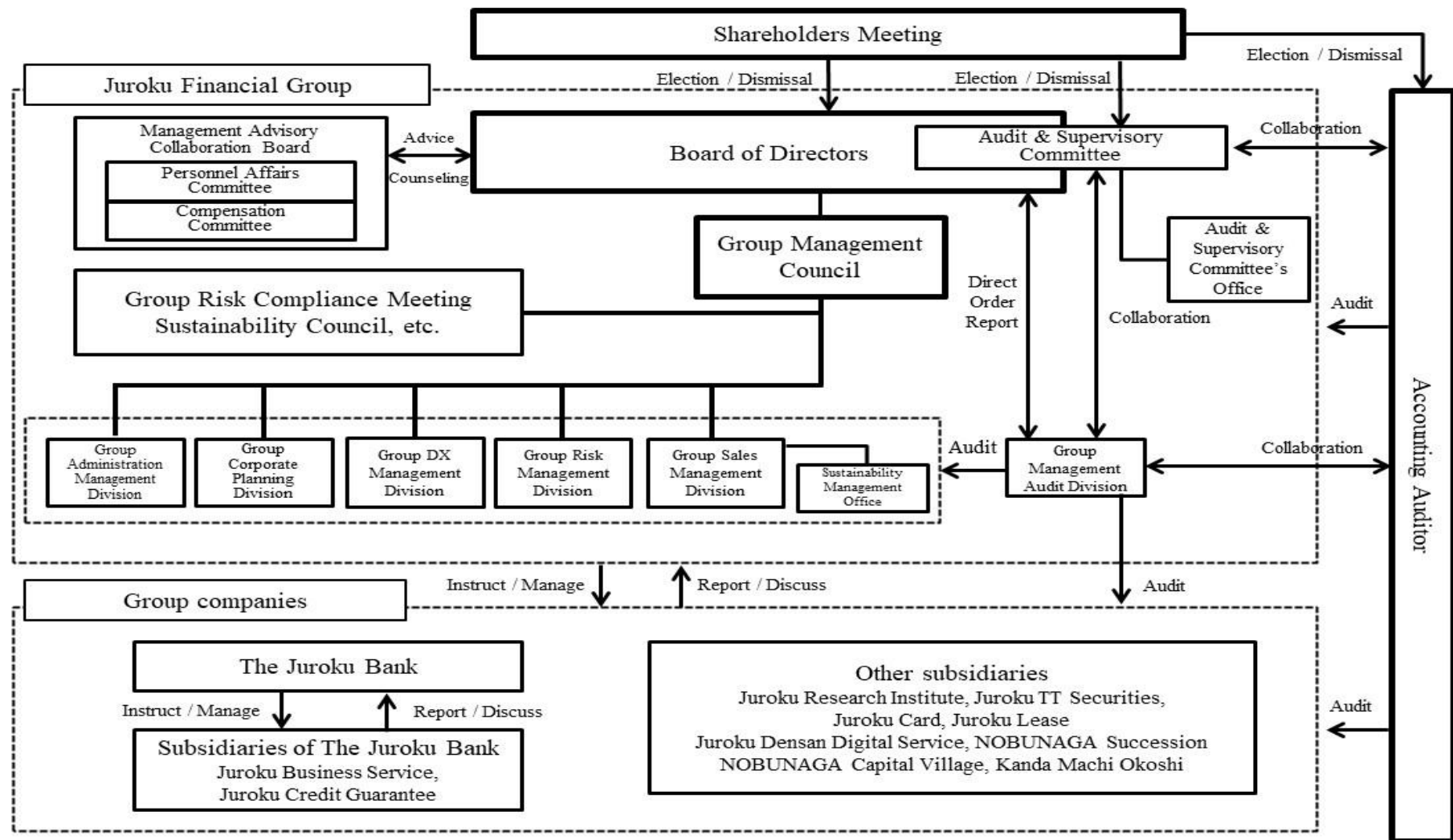
<Overview of timely disclosure system>

The Company has established “Timely Disclosure Rules” as internal rules to provide accurate and prompt information to the Group’s stakeholders, prevent reputational risk and insider trading, and ensure proper evaluation of the Company. Under these Rules, information on decisions made by the Company and its consolidated subsidiaries, information on events occurred, and information on financial results that may affect investor behavior shall be deemed material facts. The Company has established the Rules to ensure that information is properly managed, disclosed as quickly as possible, and communicated accurately and in an easy-to-understand manner.

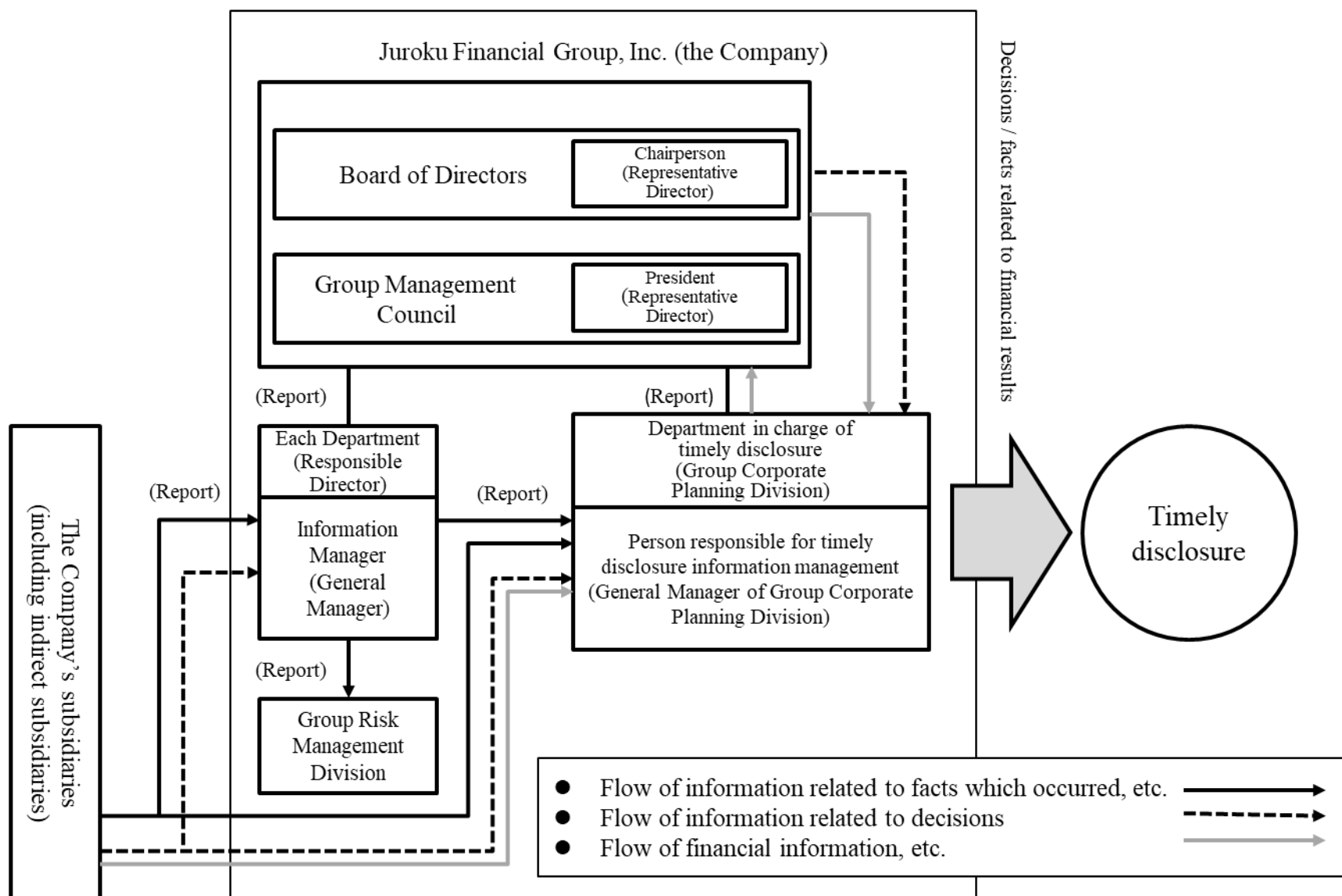
System for information disclosure under the “Timely Disclosure Rules”

- To manage material facts, a person responsible for timely disclosure information management shall be appointed, and an information manager shall be assigned to each department.
- The department in charge of timely disclosure shall be the Group Corporate Planning Division, and the person responsible for timely disclosure information management shall be the General Manager of the Group Corporate Planning Division.
- Any officer or employee who obtains material facts concerning events occurred shall immediately report them to their information manager, who shall immediately report them to the department responsible for the related operations.
Each department that receives such a report, or that itself obtains material facts, shall immediately report them to the person responsible for timely disclosure information management, the responsible officer, and the Group Risk Management Division.
The person responsible for timely disclosure information management shall then report to the Representative Director.
- Material facts shall be disclosed as quickly as possible. When making public announcements, the Company shall strive to ensure that information is accurate and easy to understand, in accordance with applicable laws and regulations on timely disclosure, to provide appropriate information to stakeholders and prevent reputational risk.

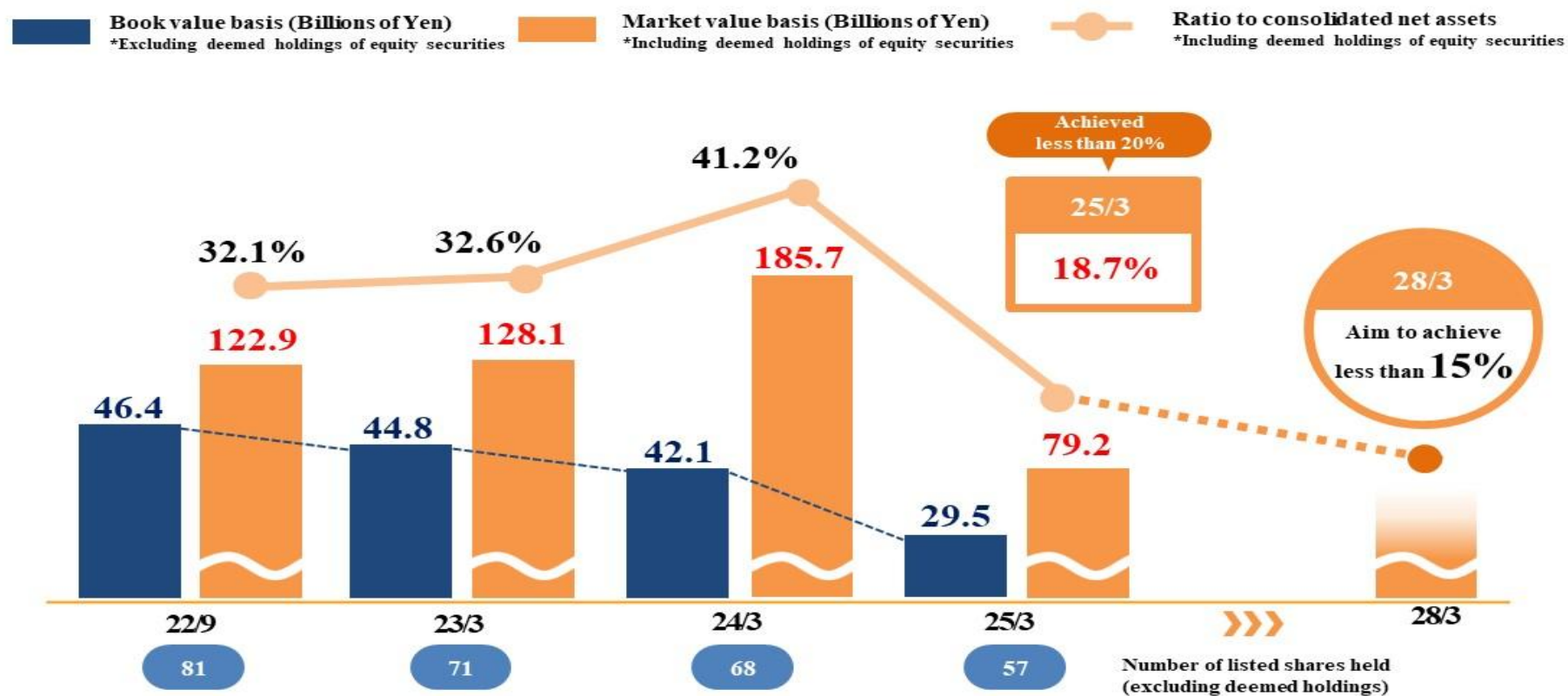
Corporate Governance System (Diagram)



Overview of Timely Disclosure Framework (Diagram)



Balance of cross-shareholdings and their ratio to consolidated net assets



Major skills and experience, etc. of Directors of the Company
(including Directors who are Members of the Audit & Supervisory Committee) (skill matrix)

Name		Current position at the Company	Major skills and experience, etc. of Directors						
			Corporate management	Financing	Finance / Accounting	Legal affairs / Risk management	Human resources	Local revitalization	ESG / Sustainability
Directors who are not Members of the Audit & Supervisory Committee	Yukio Murase	Chairperson (Representative Director)	●	●	●	●	●	●	
	Naoki Ikeda	President (Representative Director)	●	●	●	●	●		●
	Akihide Ishiguro	Deputy President	●	●	●		●		
	Yukiyasu Shiraki	Director and Senior Managing Executive Officer	●	●				●	●
	Tomoko Shiozaki	Director and Executive Officer	●	●				●	●
	Satoko Ito	Director Outside						●	●
	Yasushi Ueda	Director Outside	●	●		●			
Directors who are Members of the Audit & Supervisory Committee	Akito Yamashita	Director	●	●	●				
	Shinji Ishihara	Director Outside				●	●		
	Satoe Tsuge	Director Outside			●				●

*The table does not represent all expertise and experience possessed by each person.

Basic Policy on Corporate Governance

(Purpose)

Article 1 This Basic Policy aims to establish corporate governance within the Group, based on the Corporate Governance Code, in order to achieve the Group's sustainable growth and enhance corporate value over the medium- to long-term.

(Basic Stance on Corporate Governance)

Article 2 Recognizing that ensuring trust in the soundness is an indispensable requirement in the management, the Group considers the establishment of corporate governance to be one of its most important management priorities, and is committed to constantly enhancing corporate governance through the development and continuous improvement of its organizational structure.

(Role of the Board of Directors)

Article 3

- 1 Based on its fiduciary responsibility and accountability to shareholders, the Board of Directors, in accordance with laws, regulations, the Articles of Incorporation, the Regulations of the Board of Directors, and other internal rules, shall resolve on matters required by laws and regulations and important matters concerning management, and shall supervise the performance of Directors' duties.
- 2 The Board of Directors shall elect and dismiss Executive Directors, etc. and, in order to enhance the efficiency of decision-making, shall, as necessary, appropriately delegate authority to Directors, etc. for important management matters, except for matters that may not be delegated to Directors by law and regulations.
- 3 The Board of Directors shall ensure that the Group-wide internal control and company-wide risk management structure are appropriately developed, and supervise their operation by receiving regular reports on the results of internal audits conducted by the Group Management Audit Division.

(Composition of the Board of Directors)

Article 4

- 1 The Company strives to ensure that the Board of Directors has a well-balanced structure with diverse knowledge and expertise.
- 2 In order to enhance the objectivity and rationality of decision-making by the Board of

Directors in addition to supervising management, the Company appoints Independent Outside Directors who satisfy the criteria stipulated in Article 9, so that they consist of more than one-third of the total number of Directors.

(Establishment of an Advisory Board to the Board of Directors)

Article 5

- 1 In order to further ensure transparency and fairness of decision-making activities by the Board of Directors, the Company shall establish a Management Advisory Board as an advisory body to the Board of Directors.
- 2 The Management Advisory Board consists of two committees, the Personnel Affairs Committee and the Compensation Committee, is chaired by an Outside Director and includes several Directors, including Outside Directors, as members. Details concerning the operation, etc. of the Management Advisory Board shall be determined separately.
- 3 The Personnel Affairs Committee shall provide advice on the following matters.
 - (1) Matters concerning the determination of candidates for Director
 - (2) Matters concerning the selection and dismissal of Executive Directors, etc.
- 4 The Compensation Committee shall provide advice on the following matters.
 - (1) Matters concerning compensation, etc. for Directors
 - (2) Matters concerning the evaluation of the effectiveness of the Board of Directors
 - (3) Other important matters related to management

(Evaluations of the Board of Directors)

Article 6 The Board of Directors, following consultation with the Management Advisory Board, shall annually analyze and evaluate the effectiveness of the Board of Directors as a measure for improving the administration of the Board of Directors.

(Role of Directors)

Article 7

- 1 Recognizing their fiduciary responsibility to shareholders, Directors shall act in the common interests of the Group and its shareholders.
- 2 Directors shall gather information necessary for the performance of their duties, actively express their opinions at meetings of the Board of Directors, and engage in constructive and active discussions before exercising their voting rights.

(Role of Outside Directors)

Article 8 Outside Directors shall provide advice based on their knowledge in order to achieve

the Group's sustainable growth and enhance corporate value over the medium- to long-term, and shall supervise the management through important decision-making by the Board of Directors.

(Criteria for Assessing Independence)

Article 9 The Company shall establish the Criteria for Assessing Independence in addition to the "Independence Criteria" set by the Stock Exchanges on which the Company is listed.

(Determination of Candidates for Directors)

Article 10 The Board of Directors shall determine candidates for Directors, after consulting with the Management Advisory Board, in accordance with the separately established Policy on Determination of Candidates for Directors.

(Remuneration, etc. for Directors)

Article 11 The Board of Directors shall determine the remuneration, etc. for Directors within the amount resolved at the General Meeting of Shareholders, in accordance with the separately established Policy on Determination of Remuneration, etc. for Directors and, in order to ensure transparency, fairness, and objectivity of the remuneration, after consulting the Management Advisory Board. However, the remuneration, etc. for the Members of the Audit & Supervisory Committee shall be determined by consultation among the Members of the Audit & Supervisory Committee within the amount resolved at the General Meeting of Shareholders.

(Role of the Audit & Supervisory Committee and Members of the Audit & Supervisory Committee)

Article 12

- 1 Based on their fiduciary responsibility to shareholders, the Audit & Supervisory Committee and Directors who are Members of the Audit & Supervisory Committee (hereinafter referred to as "Members of the Audit & Supervisory Committee") shall strive to ensure the sound and sustainable growth of the Group and establish corporate governance that earns society's trust through auditing the execution of duties by Directors.
- 2 The Audit & Supervisory Committee and Members of the Audit & Supervisory Committee shall investigate the status of the Group's operations and assets, and when necessary, shall strive to ensure that necessary measures are taken with respect to officers and employees by actively exercising their authority on their own initiative.
- 3 Members of the Audit & Supervisory Committee shall strive to monitor and supervise

the execution of duties by Directors by attending meetings of the Board of Directors and other important meetings and engaging in deliberations at the meetings of the Board of Directors.

- 4 In light of their status as full-time Members of the Audit & Supervisory Committee, such Members shall actively endeavor to improve the environment for audit operations and collect information within the Company. They shall monitor and verify the status of the development and operation of the internal control system on a daily basis, and shall endeavor to share with other Members of the Audit & Supervisory Committee any information obtained in the course of performing their duties.
- 5 In order to accomplish the preceding four paragraphs, the Audit & Supervisory Committee and Members of the Audit & Supervisory Committee shall strive to ensure cooperation with Outside Directors who are not Members of the Audit & Supervisory Committee, the internal audit department, the internal control department, as well as the Accounting Auditor and corporate auditors of subsidiaries.

(Policy on Support System for Directors, etc.)

Article 13

- 1 Directors shall strive to deepen their understanding of various changes in the environment surrounding the Group, including financial conditions, and shall endeavor to improve themselves by advancing their knowledge and capabilities necessary to fulfill their roles.
- 2 The Company shall provide opportunities for Outside Directors to acquire knowledge or information regarding business operations and applicable laws and regulations, and shall offer or arrange such opportunities necessary for the initiatives described in the preceding paragraph both at the time of appointment and continuously thereafter. The Company shall bear the cost of such opportunities.
- 3 The Company shall bear expenses necessary for Directors to perform their duties, such as obtaining advice from external experts, unless the Company can demonstrate that such expenses are unnecessary for the performance of said duties.

(External Accounting Auditor)

Article 14 Recognizing the importance of the responsibilities borne by the external Accounting Auditor to shareholders and other stakeholders, the Board of Directors and the Audit & Supervisory Committee shall take measures as set forth in the following items to ensure appropriate audits.

- (1) Secure sufficient audit time to enable high-quality audits
- (2) Ensure meetings and cooperation between Directors, including Outside Directors, and

- the internal audit department and the external Accounting Auditor
- (3) Establish a framework for responding to recommendations and other input from the external Accounting Auditor

(Securing the Rights of Shareholders, etc.)

Article 15

- 1 The Company shall take appropriate action in accordance with applicable laws and regulations to ensure that shareholders' rights are effectively secured, and shall strive to create an environment in which all shareholders can exercise their voting rights fairly and appropriately.
- 2 Recognizing that the General Meeting of Shareholders serves as a forum for constructive dialogue with shareholders, the Company shall appropriately disclose information that supports appropriate decision-making by shareholders.
- 3 The Company shall strive to engage in constructive dialogue with shareholders in accordance with the separately established Policy on the Development of a Framework for Dialogue with Shareholders, with the aim of achieving the sustainable growth of the Group and enhancing its corporate value over the medium- to long-term.

(Protection of Shareholders' Interests)

Article 16 To protect the common interests of the Group and its shareholders, the Board of Directors shall comply with the Companies Act, the Banking Act, other applicable laws and regulations, the Articles of Incorporation, the Regulations of the Board of Directors, the Ethics Policy, and other relevant internal rules (hereinafter collectively referred to as "laws, regulations, and rules, etc."), and shall take appropriate action as set forth in the following items.

- (1) Prohibit Directors from engaging in competing transactions without the approval of the Board of Directors; prohibit transactions with the Group that involve conflicts of interest; and require that Directors abstain from voting when such transactions are subject to approval by the Board of Directors.
- (2) Prohibit providing economic benefits to shareholders in connection with the exercise of their rights.
- (3) In addition to the above items, monitor the compliance of officers and employees with laws, regulations, and rules, etc.

(Appropriate Collaboration with Stakeholders Other Than Shareholders)

Article 17 Aiming to achieve the Group's sustainable growth and enhance corporate value over the medium- to long-term, the Company, under the leadership of the Board of Directors

and Directors including Representative Director, etc. shall strive to collaborate appropriately with a wide range of stakeholders, including employees, customers, business partners, creditors, and local communities.

(Cross-Shareholdings)

Article 18 The Group's basic policy is to reduce its cross-shareholdings, taking into full account capital efficiency, so that the associated risks do not become excessive in relation to the Group's financial soundness. If it is determined that such cross-shareholdings contribute to the medium- to long-term enhancement of the corporate value of the Group and its business partners, rather than pursuing only short-term profits as a regional financial institution group, the Company may hold such shares, and the Board of Directors shall periodically review the purpose and economic rationale for such holdings.

(Criteria for Exercising Voting Rights for Cross-Shareholdings)

Article 19

- 1 The Group shall exercise its voting rights on proposals submitted by issuers of cross-shareholdings after comprehensively considering the likelihood of medium- to long-term enhancement of the issuer's corporate value and the consistency with the purpose of the Group's holdings.
- 2 When exercising voting rights as described in the preceding paragraph, if there are concerns about the content of a proposal or a possibility that it may harm shareholder interests, the Company shall determine its approval or disapproval based on dialogue with the issuing company.

(Ensuring Diversity)

Article 20 The Group shall establish a human resource development policy and specific plans for promoting women, foreign nationals, and mid-career hires to management positions in order to ensure diversity among its core human resources and to foster an internal environment conducive to enhancing corporate value over the medium- to long-term.

(Sustainability)

Article 21 The Group shall ensure consistency with its management strategies and management challenges, and shall continuously implement and appropriately disclose sustainability initiatives aimed at the sustainable enhancement of corporate value.

Supplementary Provisions

(Enactment, Revision and Repeal)

Article 1

- 1 The enactment, revision, or repeal of this Basic Policy shall be drafted by the General Manager of the Group Corporate Planning Division and decided by a resolution of the Board of Directors. However, minor revisions that do not involve changes to the essential content of this Basic Policy may be approved by the General Manager of the Group Corporate Planning Division.
- 2 When the General Manager of the Group Corporate Planning Division implements revisions as provided for in the proviso of the preceding paragraph, they shall report the details of such revisions to the Board of Directors.

[Policy on Determination of Candidates for Directors]

The Company shall determine candidates for Directors based on the following criteria.

1. Extensive knowledge, experience, and a track record in one or more of the skills identified by the Board of Directors as necessary for the accurate, fair, and efficient management and administration of the Group
2. A strong spirit of compliance with laws, regulations, and rules, and corporate ethics
3. Outstanding character and integrity, with a high sense of ethics
4. In addition to 1 to 3 above, Directors who are Members of the Audit & Supervisory Committee must have the knowledge, experience, and capabilities necessary to objectively, neutrally, and efficiently audit and supervise the execution of duties by Directors, and their appointment must be approved by the Audit & Supervisory Committee
5. At least one (1) Director who is a Member of the Audit & Supervisory Committee must have appropriate knowledge of finance and accounting
6. In principle, Outside Directors must meet the Company's Criteria for Assessing Independence as stipulated in Article 9 of the Basic Policy on Corporate Governance, and must also have extensive experience and accomplishments in their respective fields, enabling them to contribute their expertise as Directors of the Company
7. At least one (1) Outside Director must have experience and insight in corporate management, such as serving as an executive director at another company

[Policy on Determination of Remuneration, etc. for Directors]

1. Remuneration, etc. for Directors (excluding Outside Directors and Directors who are Members of the Audit & Supervisory Committee) shall be appropriate for Directors who are expected to fully perform their functions in executing business and supervising management. In addition to fixed remuneration paid commensurate to their roles and responsibilities, a certain percentage of remuneration shall be performance-linked remuneration ("Performance-Linked Remuneration") that serves as a sound incentive for the sustainable growth of the Group, and stock-type remuneration ("Restricted Stock-Type Remuneration") designed to motivate and raise morale toward enhancing corporate value over the medium- to long-term.
2. Outside Directors and Directors who are Members of the Audit & Supervisory Committee shall not receive Performance-Linked Remuneration or Restricted Stock-Type Remuneration in light of their management supervisory function.

[Criteria for Assessing Independence]

The Company shall establish the following criteria for assessing independence of Outside Directors (including those who are Members of the Audit & Supervisory Committee) in addition to the “Independence Criteria” set by the Stock Exchanges on which the Company is listed:

1. A person who falls under any of the following shall be a person who does not meet the requirements of independence.
 - (1) A person whose sales to the Group is 2% or more of its consolidated net sales for the most recent fiscal year
 - (2) A person whose balance of loans received from the Group is the highest and who shall receive a serious impact such as affecting the continuity of his business by the Group’s changes to its loan policies including immediate collection of the loan
 - (3) A shareholder who holds over 5% of the total voting rights of all shareholders of the Company
 - (4) A person who has received money or other properties of more than 10 million yen per year on average over the past three (3) years from the Group, excluding compensations for Director
2. Notwithstanding the provisions of the preceding paragraph, independence can be recognized if it is judged that there is substantial independence as a result of comprehensive judgement including other reasonable reasons.
3. If a person in paragraph 1 above is a legal entity or the like, it shall mean a business executor of the legal entity or the like prescribed in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act.

[Policy on the Development of a Framework for Dialogue with Shareholders]

1. To promote constructive dialogue with shareholders, in principle, the Company shall, to the extent reasonable, have one or more Directors including Representative Director attend meetings in response to requests for dialogue from shareholders, taking into account the shareholders’ requests and their main topics of interest.
2. The Company shall designate the Group Corporate Planning Division as the department responsible for promoting dialogue with shareholders and shall strive to expand means of dialogue other than individual meetings, including holding investor briefings.
3. The officer in charge of the Group Corporate Planning Division shall oversee all dialogue with shareholders and, in cooperation with relevant internal departments, shall work to ensure constructive dialogue with shareholders.

4. The officer in charge of the Group Corporate Planning Division shall report to the Board of Directors on any opinions or concerns of shareholders identified through such dialogue, in order to share this information with Directors including Representative Director, and shall endeavor to appropriately and timely reflect shareholder opinions or resolve their concerns.
5. The Company shall comply with its Regulations for the Management of Insider Trading and other internal rules to prevent insider trading.