

Compliance System

Recognition of Top Risks

The Company has designated the Group Risk Management Division to oversee compliance and manage the status of compliance for the entire Group.

Every fiscal year, the division formulates a Group Compliance Program, a concrete action plan for compliance, and conducts appropriate compliance risk management for the entire Group. The division is engaged in confirming that the Group is properly practicing compliance, as well as monitoring the progress in the Group Compliance Program and status of compliance including whistleblowing and corruption*1, while holding meetings of the Group Risk Compliance Meeting and the Group Risk Compliance Committee regularly and as needed for deliberation and instruction on the compliance system. The content of the deliberations at the Group Risk Compliance Meeting is reported to the Board of Directors to ensure appropriate supervision by the Board of Directors.

Procedures*2 to be followed by officers and employees who discovered a compliance violation or other conduct that could be considered as such are specified in the Compliance Rules and Compliance Manual, as part of the framework for fact-finding and investigation of this type of wrongdoing.

For the purpose of fermenting compliance awareness across the Group, the ethics policy is being thoroughly permeated among all concerned, while training for officers including Outside Directors as well as training or study sessions for all employees (including part-timers and temporary workers) are continually organized, presenting case study of the questionable conducts recently reported at corporations involving compliance, such as legal compliance violations, wrongdoings, corruption and harassment.

*1 Bribery, embezzlement and giving and receiving entertainment/gift beyond social norms
*2 Procedures to be followed in the event of discovery of a compliance violation or other conduct that can be considered as such (summary)

(1) [Report of occurrence] The person who discovered the compliance violation or the like must report to the Group Risk Management Division, or alternatively report to or consult with the external lawyer designated for this purpose according to the internal reporting system.

(2) Report to the Group Management Council, etc. The Group Risk Management Division shall report to Group Management Council, etc., as appropriate.

(3) [Fact-finding and investigation] The Group Risk Management Division shall instruct or execute fact-finding. Specific procedure or method for investigation, etc. shall follow the Incident Response Manual.

(4) [Report] Follow-up report shall be made to the Compliance Meeting, etc. as appropriate based on the results of the fact-finding exercise.

(5) [Remedial measures and recurrence prevention measures] Report shall be made to the Board of Directors, etc. on the remedial measures and recurrence prevention measures based on the results of the investigation.

Internal Reporting System

The Company has established a whistleblowing system for the entire Group. In order to early detect, correct and prevent

compliance violations (such as legal compliance violations, wrongdoings, corruption, violation of internal rules, and harassment), the Company and other Group companies have each set up whistleblowing contact points.

The whistleblowing system applies to all officers, employees and part-time workers, etc. (including those who were Executive Officers, employees, part-time workers before resignation or retirement less than one year ago) of the Company and its consolidated subsidiaries, and expressly guarantees that whistleblowing/consultation by the whistleblower be kept strictly confidential, that the whistleblower should under no circumstances be disadvantageously treated because of his/her act of whistleblowing/consultation, and that any such disadvantageous treatment if actually done at all should be dealt with in a rigorous fashion, to ensure that all officers and employees can use this system with peace of mind. In addition to internal contact points, we are working to enhance and improve our whistleblowing system via designated external lawyers as contact points for reporting and consultation.

We have appointed a Chief Whistleblowing Officer as the general manager of the whistleblowing system, and are working to raise awareness of the whistleblowing system among officers and employees throughout the Group.

The whistleblowing system and how it works are broadly communicated across the Group via the internal intranet, while being made viewable by smartphones for business use.

Customer Protection

The Company has established a Group-wide “Customer Protection Management Policy,” and is striving to protect customers and improve convenience for the whole Group. The Juroku Bank and Juroku Tokai Tokyo Securities have planned and announced a “Customer-oriented Business Operation Policy,” and are working to further improve the quality of their products and services from a customer-oriented perspective.

The “Customer Protection Management Policy” is aimed at protecting customers and improving convenience through the following measures.

(1) Giving appropriate explanations and providing information on products and services to customers

(2) Appropriately handling customer requests, consultations, inquiries, complaints, etc.

(3) Appropriately managing customer information

(4) Appropriately managing outsourced business

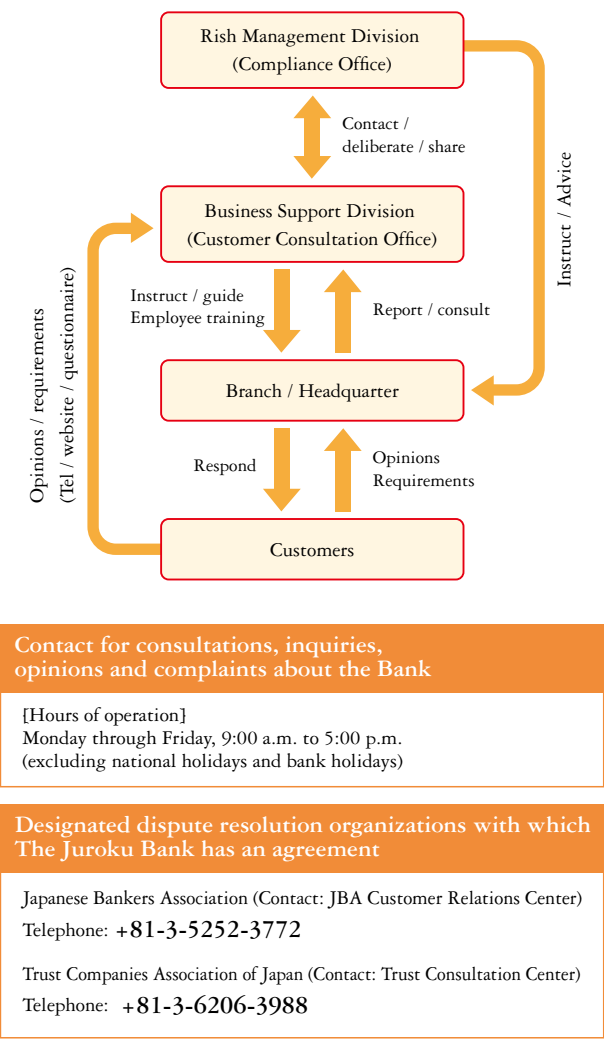
(5) Appropriately managing conflicts of interest in order to prevent unduly infringement on the interests of customers

Customer Feedback/Consultation

Every year we host group training sessions for employees based on feedback and requests from customers to ensure thorough customer protection and compliance.

• Designated dispute resolution organization

The Juroku Bank has concluded an agreement with the following designated dispute resolution organizations. By involving a neutral and fair third-party organization, we are appropriately



responding to the financial ADR system, which are procedures intended for simple and swift dispute resolution without resorting to litigation.

Customer Information Management

The Company recognizes the secure management of customer information as one of its most important issues. We are fully aware of various risks such as leakage and loss of information to external parties with regard to customer information acquired by each Group company. As such, we have established the “Information Security Management Rules” to ensure proper handling of customer information, and also disclose a “Personal Information Protection Policy” (Privacy Policy).

Based on these regulations, we have appointed a Chief Information Officer as the general manager of the protection of information assets, and designated responsible divisions according to the type of information assets, as efforts to protect information assets more effectively.

The Company has established the “Basic Policy against Antisocial Forces” for the entire Juroku Financial Group, and the Group as a whole has developed systems to firmly confront and exclude relationships with antisocial forces that threaten the order and safety of society.

Specifically, we work closely with external expert organizations

and other institutes, and enhance effectiveness through training for officers and employees and other measures.

Initiatives to Prevent Money Laundering, etc.

There is a growing threat of international terrorism, and fund transfers by criminal organizations and terrorists are spreading and becoming international. As such, there is a stronger international demand for financial institutions to prevent money laundering, financing of terrorism, and proliferation financing (hereinafter “money laundering, etc.”).

The Company’s Group Risk Management Division oversees the Group’s overall anti-money laundering, etc. measures, and each Group company appoints a person responsible for anti-money laundering, etc. measures from among its officers.

- **Risk management system**
We have positioned the prevention of money laundering, etc. as a top management issue, and we have built an effective risk management system and are working to further enhance it.
- **Risk assessment documents**
We identify and assess risks we are facing associated with money laundering, etc., and plan “documents prepared by specified companies (risk assessment documents),” in order to implement mitigation measures commensurate with the risks.
- **Training for officers and employees**
We continuously implement training for officers and employees, so that they can gain deeper knowledge and understanding regarding measures against money laundering, etc., and improve their expertise and adaptability according to the roles of various divisions.
- **Audits on compliance status**
The Audit Division conducts internal audits from an independent perspective on a regular basis and as necessary. Based on the results of these audits, we strive to further improve our systems.

Initiatives for Prevention of Corruption

The Company prohibits in its ethics policy all corrupt practices regardless of whether in Japan or overseas or whether directly or indirectly, including bribery involving public officials and/or all stakeholders concerning the Group’s business, embezzlement, breach of trust, receiving or giving money and kind or entertainment and other benefits, in an effort to eliminate corruption.

With a view to eliminating corruption including bribery, embezzlement, giving and receiving of entertainment/gift beyond social norms, the Company has had its ethics policy thoroughly permeated within the Group, and continually implements training or study sessions for all officers and employees on the matters including prevention of corruption.

Furthermore, the Company conducts internal inspection of payments to third parties and other expenditures as needed, while preparing accurate and complete ledgers and records to maintain and administer them appropriately.

[Initiatives in FY2024]
Number of occurrences of corruptions: 0 cases
Expenditure related to fine, punishment and settlement associated with corruption: ¥0