

Corporate Governance

Basic policy of corporate governance
Please refer to our website.



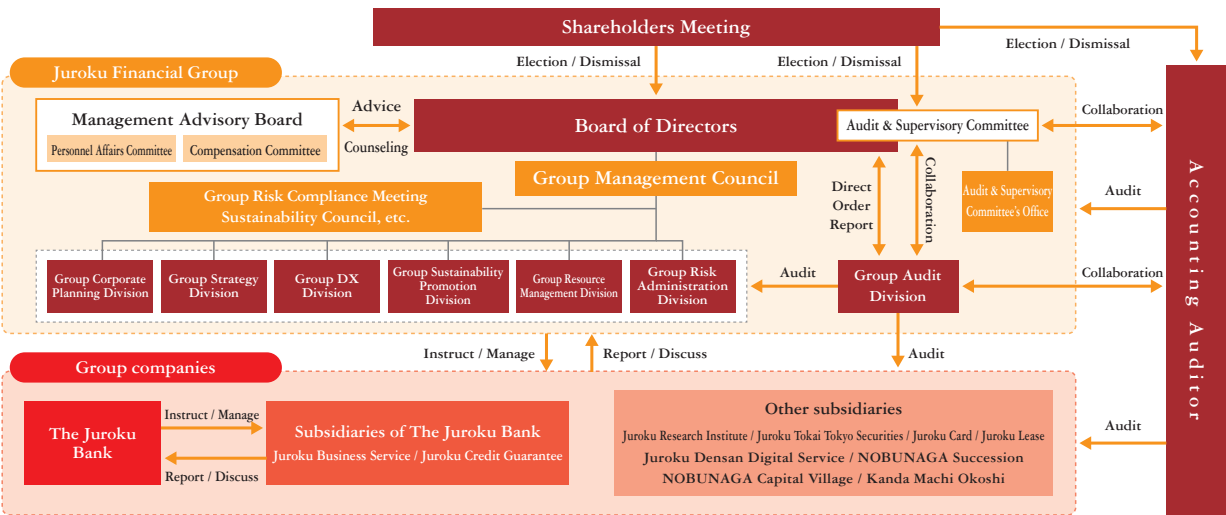
Corporate Governance System

Juroku Financial Group is a company with an Audit & Supervisory Committee, and the functions of the Board of Directors are strengthened not only in its decision-making functions but also in its auditing and supervisory functions.

By separately electing Executive Directors and Directors who are Members of the Audit & Supervisory Committee, we have enhanced the audit system of Group-wide business management and the supervision system of Executive Directors by Members of the Audit & Supervisory Committee.

In addition, we are working to further enhance our corporate governance system by monitoring the status of business execution, the status of risk management, and the compliance system of Group companies, and striving to build a Group-wide business management system.

Group companies are striving for efficient business operations by preparing business plans based on Group-wide management policies, and by making prompt management decisions and speeding up business execution.



Development and Selection of Management Personnel (Succession Plan)

To sustainably enhance corporate value, it is important to systematically develop human resources who will lead the Company in the future and ensure that management is handed over through an appropriate succession process. The Group has a succession program in place for the systematic development and selection of management personnel, ranging from officers to middle-managers who will bear the next generation of management. Since 2022, under the guidance of Professor Kazuo Ichijo of IMD, who serves as our Executive Advisor, we have conducted case studies, off-site training sessions, presentations, and other activities. Over the past year, we conducted a program totaling seven days for 14 Executive Officers.

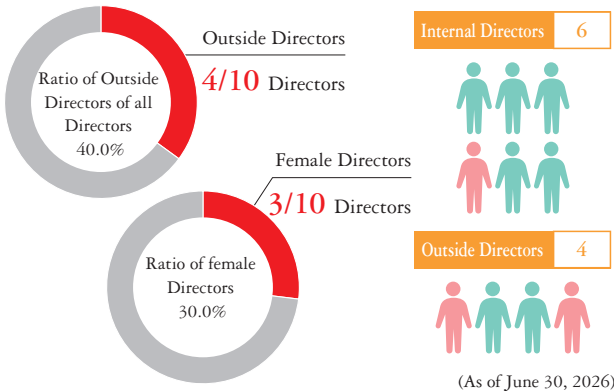
In selecting successors, we evaluate candidates from multiple perspectives based not only on their ongoing development and evaluation, but also on deliberations by the Personnel Affairs Committee of the Management Advisory Board and the opinions of Outside Directors and others. Going forward, we will continue to develop and select management personnel in anticipation of changes in the management environment and management structure, thereby strengthening governance.

Composition of the Board of Directors

The Company strives to ensure that the Board of Directors has a well-balanced structure with diverse knowledge and expertise.

In order to enhance the objectivity and rationality of decision-making by the Board of Directors in addition to supervising management, we appoint Independent Outside Directors so that they consist of more than one-third of the total number of Directors.

As of June 30, 2026, of the 10 Directors, four are Independent Outside Directors. Moreover, with three female Directors, the ratio of female Directors is 30%.



Major Skills and Experience, etc. of Directors of the Company (Skill Matrix)

(As of June 30, 2026)

	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	Naoki Ikeda	President (Representative Director)	●	●	●	●	●		●
	Yukiyasu Shiraki	Deputy President (Representative Director)	●	●				●	●
	Kyohei Tanemura	Director and Executive Officer	●	●	●	●	●		
	Tomoko Shiozaki	Director and Executive Officer	●	●		●		●	●
	Naoshi Okimoto	Director and Executive Officer	●	●	●	●			
	Satoko Ito	Director Outside						●	●
Directors who are Members of the Audit & Supervisory Committee	Yasushi Ueda	Director Outside	●	●	●	●			
	Akito Yamashita	Director	●	●	●				
	Shinji Ishihara	Director Outside				●	●		
	Satoe Tsuge	Director Outside			●				●

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

Board of Directors

In addition to deciding matters as required by laws and regulations and important management-related matters, the Board of Directors supervises the execution of duties by receiving reports from Executive Directors regarding the status of the execution of their duties at least once in three months pursuant to Article 363, Paragraph 2 of the Companies Act.

The Board of Directors meetings were held 11 times in FY2025, and the attendance of each Director is shown in the table to the right.

The main topics discussed at the Board of Directors meetings in FY2025 were as follows.

Position	Name	No. of meetings held	No. of meetings attended (Attendance ratio)
Chairperson (Representative Director)	Yukio Murase	11	10 (90%)
President (Representative Director)	Naoki Ikeda	11	11 (100%)
Director	Akihide Ishiguro	11	11 (100%)
Director	Yukiyasu Shiraki	11	11 (100%)
Director	Tomoko Shiozaki	11	11 (100%)
Director	Yoshiaki Bito ^(*)	2	2 (100%)
Director (Outside)	Satoko Ito	11	11 (100%)
Director (Outside)	Yasushi Ueda	11	11 (100%)
Director (Audit & Supervisory Committee Member)	Akito Yamashita	11	11 (100%)
Director (Audit & Supervisory Committee Member) (Outside)	Shinji Ishihara	11	11 (100%)
Director (Audit & Supervisory Committee Member) (Outside)	Satoe Tsuge	11	11 (100%)

Note: Mr. Yoshiaki Bito retired from Director in June 2025 and attended the Board of Directors meetings until the meeting held in May 2025.

< Key deliberations discussed at the Board of Directors in FY2025 >

Categories	Key deliberations
Management plans	Progress of the Medium-Term Management Plan (including action to implement management that is conscious of cost of capital and stock price), overall Group budget, etc.
Capital policy and shareholder return	Implementation of dividends, share buybacks, share splits and revisions to the shareholder benefits program, etc.
Sustainability	Sustainability Council deliberations, etc.
Corporate governance	Corporate governance initiatives, dialogue with shareholders and investors, results of assessment and analysis of Board of Director effectiveness, results of examination of significance and economic rationality of cross-shareholdings, etc.
Risk compliance	Determination of top risks, formulation of the Group Compliance Program, risk appetite framework, Group Risk Compliance Meeting deliberations, etc.
Internal audit	Formulation of internal audit plans, results of internal audits, etc.

Evaluation of the Effectiveness of the Board of Directors

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. In FY2025, self-evaluations were conducted by all officers, and the results were submitted for a consultation to the Management Advisory Board, an advisory body to the Board of Directors, and then deliberated at the Board of Directors.

◀Method for evaluating the effectiveness of the Board of Directors for FY2025, and the summary of the results of evaluation▶

(1) Method for evaluating the Board effectiveness

- Questionnaire was conducted for all (10) Directors in March 2026.
- The questionnaire was comprised comprehensively of multiple-choice questions on the composition of the Board of Directors (balance of knowledge and experience, diversity, etc.), administration of the Board of Directors (frequency of meetings, time for deliberation, and content of reference materials), responsibilities of the Board of Directors, etc. (decision-making and supervisory functions, etc.), and the support system for Directors.

(2) Results of analysis

As a result of the aggregation and analysis of the self-evaluations, the Company confirmed that the Board of Directors was appropriately administered, and that the effectiveness of the Board of Directors 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 promoting deeper deliberation of agenda items, be engaged in continuous efforts for reviewing the contents and quantity of the reference materials for the Board meetings, and providing Outside Directors with information on internal issues relating to the agenda items, through strengthening the functions of the Board of Directors secretariat.

We will continue with our efforts to enhance deliberations on management themes that take into account medium- to long-term management and growth strategies and the external environment, as well as the supervision of important management risks, for the sustainable growth of the Group and the enhancement of corporate value. 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.

In principle, the Company conducts an evaluation of the effectiveness of the Board of Directors through the involvement of a third-party agency more than once every three years. Self-evaluations and other assessments in FY2023 were conducted with advice from an external institution.

Status of Audit by the Audit & Supervisory Committee

The Audit & Supervisory Committee consists of three Members of the Audit & Supervisory Committee, including two Members of the Audit & Supervisory Committee who are Outside Directors, and meets once a month in principle. In addition, the Audit & Supervisory Committee’s Office has been established to assist Members of the Audit & Supervisory Committee in their duties, thereby ensuring the objective monitoring and auditing functions of the management’s business execution.

Position	Name	No. of meetings held	No. of meetings attended (Attendance ratio)
Member of the Audit & Supervisory Committee (Full-time)	Akito Yamashita	11	11 (100%)
Member of the Audit & Supervisory Committee	Shinji Ishihara	11	11 (100%)
Member of the Audit & Supervisory Committee	Satoe Tsuge	11	11 (100%)

Management Advisory Board

In order to further ensure transparency and fairness of the Board of Directors’ decision-making activities, we have established the Management Advisory Board, which is chaired by an Outside Director and comprises majority of Outside Directors, as an advisory body to the Board of Directors.

Management Advisory Board consists of the Personnel Affairs Committee and the Compensation Committee that provide advice on the matters shown in the table below.

In FY2025, the Personnel Affairs Committee and the Compensation Committee held three meetings each.

Personnel Affairs Committee
① Matters concerning the determination of candidates for Director
② Matters concerning selection and dismissal of Executive Directors, etc.
Compensation Committee
① Matters concerning compensation for Directors
② Matters concerning the evaluation of the effectiveness of the Board of Directors
③ Other important matters related to management

■<Attendance at Management Advisory Board meetings in FY2025>

Personnel Affairs Committee

Position	Name	No. of meetings held	No. of meetings attended (Attendance ratio)
Chairperson (Representative Director)	Yukio Murase	3	2 (66%)
President (Representative Director)	Naoki Ikeda	3	3 (100%)
Director (Outside), Chairperson of the committee	Satoko Ito	3	3 (100%)
Director (Outside)	Yasushi Ueda	3	3 (100%)
Director (Audit & Supervisory Committee Member) (Outside)	Shinji Ishihara	3	3 (100%)

Compensation Committee

Position	Name	No. of meetings held	No. of meetings attended (Attendance ratio)
Chairperson (Representative Director)	Yukio Murase	3	2 (66%)
President (Representative Director)	Naoki Ikeda	3	3 (100%)
Director (Outside)	Satoko Ito	3	3 (100%)
Director (Outside), Chairperson of the committee	Yasushi Ueda	3	3 (100%)
Director (Audit & Supervisory Committee Member) (Outside)	Shinji Ishihara	3	3 (100%)

Remuneration for Officers

Remuneration, etc. for Directors of the Company comprises three components that are fixed remuneration, performance-linked remuneration and stock-type remuneration, based on the resolution at the 1st Annual General Meeting of Shareholders held on June 17, 2022. Meanwhile, remuneration for Outside Directors and Directors who are Members of the Audit & Supervisory Committee consists solely of fixed remuneration with a view to enhancing their neutrality and independence.

Fixed remuneration

The aggregate amount of fixed remuneration for Directors (excluding Directors who are Members of the Audit & Supervisory Committee) payable commensurate with their roles and responsibilities shall not exceed ¥330 million per year, while the aggregate amount of fixed remuneration for Directors who are Members of the Audit & Supervisory Committee shall not exceed ¥80 million per year.

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 Directors and shareholders, which once a year in principle delivers to Directors restricted shares with transfer restriction period.

Remuneration to be used for delivering restricted shares shall be monetary claims, which shall, in the aggregate but apart from the fixed remuneration and a performance-linked remuneration, not exceed ¥80 million per year while the total number of shares to be allotted in a year shall not exceed 200,000 shares.

From FY2025 onward, ESG-related factors will be reflected into a portion of stock-type remuneration. Specifically, restricted stock-type remuneration will comprise the basic portion and a sustainability KPI-linked portion, which is paid based on progress toward achievement of sustainability KPIs in the previous fiscal year. The target ratio for the sustainability KPI-linked portion is around 5% of total stock-type remuneration.

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 in the table 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

- The Company has introduced the following three mechanisms to ensure the soundness of its stock-type remuneration system.
- By setting the transfer restriction period for shares to continue until retirement, thereby effectively deferring the payment of remuneration over the medium to long term, the system encourages awareness of the need to sustainably enhance corporate value.
 - Compliance with laws and regulations, internal regulations, and formal contracts is reflected in evaluations, ensuring that the system functions as a sound incentive for the sustainable enhancement of corporate value.
 - The Company has established a provision (malus and clawback provision) under which it automatically acquires all of the shares without consideration if the Board of Directors determines that there has been a material violation of laws or regulations, internal regulations, or formal contracts.
- The guidelines for the distribution ratio of these three types of remuneration for Directors (excluding Outside Directors and Directors who are Members of the Audit & Supervisory Committee) shall be 100, 50, and 15 between fixed remuneration, performance-linked remuneration, and stock-type remuneration, respectively (if fully paid as scheduled, and including remuneration from consolidated subsidiaries if involving concurrent service as Directors at consolidated subsidiaries).

Reason for Nominating Outside Officers (Function and Role of Outside Directors in the Corporate Governance of the Company)

Outside Director Satoko Ito	Ms. Satoko Ito has extensive experience and knowledge in a wide range of domains such as environment, 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 further ensuring transparency and fairness of the decision-making function and further 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, and has nominated her.
Outside Director Yasushi Ueda	Mr. Yasushi Ueda has been engaged in corporate management as Senior Managing Executive Officer, Group Chief Actuary and CFO of Meiji Yasuda Life Insurance, and has gained extensive experience and a wide range of insight in the financial sector, including finance, accounting, and risk management. The Company believes that, by utilizing his extensive experience and a wide range of knowledge, he will contribute to further ensuring transparency and fairness of the decision-making function and further 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, and has nominated him.
Director (Audit & Supervisory Committee Member, Outside) Shinji Ishihara	As a lawyer, Mr. Shinji Ishihara has a wealth of experience and specialized knowledge of legal affairs in general, and 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 further ensuring transparency and fairness of the decision-making function and further 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, and has nominated him.
Director (Audit & Supervisory Committee Member, Outside) Satoe Tsuge	As a certified public accountant, Ms. Satoe Tsuge has expertise in finance and accounting, and is 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 experience and a wide range of knowledge, she will contribute to further ensuring transparency and fairness of the decision-making function and further 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, and has nominated her.