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## Corporate Governance Report

CORPORATE GOVERNANCE

Tokyu Construction Co., Ltd.

Last Update: June 26, 2025

### **Tokyu Construction Co., Ltd.**

Mitsuhiro Terada, Representative Director, President

Contact: Corporate Communications Department,  
Corporate Strategy Division

03-5466-5008

Securities code: 1720

<https://www.tokyu-cnst.co.jp/en/>

The corporate governance of Tokyu Construction Co., Ltd. (the “Company”) is described below.

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

### 1. Basic Views

At Tokyu Construction, we have a corporate philosophy made up of three elements: our purpose, management policy and code of conduct, that describes the type of company we seek to become. To make this vision a reality, we contribute to society through our business activities, while working to achieve sustained growth and higher medium- to long-term corporate value. It is crucial that we foster a strong corporate governance structure on our way to achieving these goals, hence we are always striving to make improvements for a more effective corporate governance.

### Reasons for Non-compliance with the Principles of the Corporate Governance Code **Updated**

[Supplementary Principle 2.4.1]

Regarding our approach and goals for ensuring diversity in the appointment of core personnel, including the appointment of women, non-Japanese employees, and career-track hires to management positions, we have formulated an action plan for women that includes measurable targets based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace ([https://www.tokyu-cnst.co.jp/sustainability/pdf/woman\\_20230401.pdf](https://www.tokyu-cnst.co.jp/sustainability/pdf/woman_20230401.pdf)) (in Japanese).

In line with this plan, we are actively hiring women for both new graduate and mid-career positions. Additionally, we provide stage-specific growth opportunities, such as leadership training programs targeting female employees to prepare them for management roles, and are developing systems and creating workplace environments that enable women to fully leverage their abilities and thrive in their careers.

Regarding non-Japanese employees, we currently only hire a small number each year in Japan, and there are no non-Japanese employees with management experience at this time. Therefore, we do not plan to set measurable targets for their promotion to core positions for the time being. However, we are developing a workplace environment that is easy to work in, regardless of nationality, by regularly holding training sessions as a place to support foreign employees in resolving their concerns and issues. In addition to these efforts, we will strengthen recruitment according to the growth of international business to develop

individuals who can become managers and core human resources in the future.

For career-track employees, we hire dozens each year, primarily for positions that need reinforcement. An increasing number of these employees are now serving in management roles. Moving forward, we will continue to hire highly specialized career-track professionals, including IT specialists who will drive new business and digital transformation, as well as those with immediately applicable skills. Both regular and career-track hires are treated equally when it comes to their promotions, based on their abilities. We offer training and other career-aligned programs to nurture core personnel. Therefore, we do not plan to set measurable targets for the promotion of career-track employees.

For more details on our human resource development policy, workplace environment initiatives for diversity, and their implementation status, please refer to the “Human Resources Strategy” section of our Integrated Report (<https://www.tokyoucnst.co.jp/en/ir/report/>).

## Disclosure Based on each Principle of the Corporate Governance Code Updated

[Principle 1.4 Cross-Shareholdings]

### (1) Policy Regarding Cross-Shareholdings

The Company acquires and holds shares issued by business partners in order to strengthen our business relationships and maintain good relations, thereby contributing to the enhancement of our corporate value.

We conduct an annual review of each publicly traded share we hold, using performance indicators for the most recent fiscal year to assess whether benefits obtained are sufficient relative to capital cost and whether there are risks that could lead to a decline in stock price. Additionally, we perform a quantitative analysis by examining actual performance indicators from the past fiscal years and projected indicators for the coming fiscal years to determine whether the benefits are sufficient relative to capital cost. Furthermore, a qualitative assessment is conducted regarding the future business relationship between the Company and the issuing company. Based on the results of these evaluations, the Board of Directors annually reviews whether the rationale for holding the shares remains valid, considering the economic rationality, future outlook and other factors in a comprehensive manner.

In principle, for shares that no longer fulfill their intended purpose or for which the rationale for holding is no longer valid, we will proceed with selling these holdings, after considering the circumstances of the issuing companies, market trends, and other factors, and strive to reduce them.

### (2) Criteria for Exercising Voting Rights on Cross-Shareholdings

When exercising voting rights, we thoroughly review each proposal and make an appropriate judgement on whether to approve or disapprove, based on a comprehensive perspective. This includes assessing whether the proposal will contribute to the sound management of the issuing company and enhance corporate value, as well as whether it could potentially harm the company’s assets or shareholder value.

Specifically, proposals involving changes to the issuing company’s capital or those that could negatively impact the company’s assets or shareholder value are treated as important proposals. Such proposals require approval from the officer in charge to indicate approval or disapproval.

[Principle 1.7 Related Party Transactions]

In transactions with related parties, the Company follows approval procedures based on internal regulations to ensure that such

transactions do not harm the shared interests of the Company or its shareholders.

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

Recognizing that the management of reserves under the Company's defined benefit corporate pension plan not only affects employees' stable asset formation but also the Company's financial position, we are committed to ensuring its proper management within an appropriate organizational structure.

[Principle 3.1 Full Disclosure]

(1) Management Policy, Corporate Strategy, and Business Plan

a. Corporate Philosophy and Vision

Please refer to our website (<https://www.tokyu-cnst.co.jp/en/company/vision/>) for further details.

b. Long-Term Management Plan

Please refer to our website (<https://www.tokyu-cnst.co.jp/en/company/strategy/>) for further details.

(2) Basic Views and Basic Policy for Corporate Governance

a. Basic Views

Please refer to "I. 1. Basic Views" of this Report.

b. Basic Policy

Please refer to our website (<https://www.tokyu-cnst.co.jp/en/company/governance/>) for further details.

(3) Policies and Procedures for Determining the Remuneration of Directors, etc.

The Company's policy on determining individual Directors' remuneration ("Determination Policy") is decided by the Board of Directors after consultation with the Appointments and Remunerations Committee, which is chaired by the lead Independent External Director and consists of a majority of Independent External Directors. A summary of the Determination Policy is as follows.

Compensation for the Company's Directors is determined based on their position, their business performance, employee salary levels, and a third-party survey of corporate management compensation in Japan. Compensation consists of monetary and stock-based compensation in order to provide incentives for short-term performance as well as for medium- to long-term improvements in corporate value.

Monetary compensation consists of fixed compensation based on position and short-term performance-linked compensation.

The fixed compensation is paid monthly at a fixed amount. Variable compensation is designed to enhance incentives for achieving short-term performance. It is calculated by multiplying the standard amount determined by position by a payment rate and is paid in two installments per year. The payment rate varies from 0% to 200%, depending on the performance evaluation value. This performance evaluation value is calculated by comprehensively considering financial indicators such as operating profit and net income, non-financial indicators such as GHG emissions reduction rate and employee engagement ratings, as well as the achievement level of action plans or departmental performance evaluations.

To ensure objectivity and transparency in the evaluation of Directors and the determination of their compensation, the monetary compensation of each Director is determined by the Appointments and Remunerations Committee, which is chaired by the lead Independent External Director and includes Independent External Directors as well as the Representative Director and non-executive Directors, based on a delegated resolution by the Board of Directors. The amount of compensation paid to each

Director is decided by this committee after deliberation, including ensuring consistency with the Determination Policy resolved by the Board of Directors. The Board of Directors deems that the details of these compensation decisions align with the Determination Policy.

Stock-based compensation is intended to offer an incentive to increase corporate value over the medium to long term and to align the economic value of Directors with that of shareholders. Restricted stock is granted to Directors, excluding External Directors and non-executive Directors. The number of shares granted is determined annually by the Board of Directors based on a standard amount, according to position.

Compensation for External Directors and non-executive Directors is limited to a basic fixed compensation.

As resolved at the 18th Annual General Meeting of Shareholders held on June 24, 2021, the annual basic remuneration for Directors was set at no more than 360 million yen (with External Directors' remuneration capped at 60 million yen per year, excluding salaries for Directors who concurrently serve as employees). As resolved at the 5th Annual General Meeting of Shareholders held on June 25, 2008, the annual remuneration for Audit & Supervisory Board Members was set at no more than 96 million yen.

Separately, at the 18th Annual General Meeting of Shareholders held on June 24, 2021, it was resolved that stock-based remuneration in the form of restricted stock would be provided to Directors (excluding External and non-executive Directors) with a cap of 60 million yen per year (excluding salaries for Directors who concurrently serve as employees). The total number of common shares to be issued or disposed of to Directors is limited to 120,000 shares per year.

The compensation of Audit & Supervisory Board Members is a fixed compensation paid in cash, and the method of determining remuneration is decided through deliberation of the Audit & Supervisory Board.

#### (4) Policies and Procedures for Appointing, Dismissing, and Nominating Directors, etc.

Directors and Audit & Supervisory Board Members are persons with exceptional character, insights, abilities, and abundant experience, together with high ethical standards. Candidates for Directors and Audit & Supervisory Board Members are determined considering the composition of the Board of Directors, including their gender, age, skills, and other diversity considerations, and based on the candidates' business achievements and performance of duties in previous fiscal years, among other factors. Candidates for Directors are decided by the Board of Directors after receiving a report from the Appointments and Remunerations Committee, while candidates for Audit & Supervisory Board Members are decided by the Board of Directors after receiving a report from the Appointments and Remunerations Committee and obtaining the consent of the Audit & Supervisory Board.

In the event that circumstances necessitate the dismissal of the President, other Directors, or Executive Officers, the Appointments and Remunerations Committee will be consulted in a timely manner, and the Board of Directors will deliberate on the matter after considering the committee's report.

#### (5) Explanation on Appointing, Dismissing, and Nominating Individual Directors, etc.

For details on the reasons for the appointment of Directors, please refer to the Notice of the Annual General Meeting of Shareholders (<https://www.tokyu-cnst.co.jp/en/ir/stock/meeting/>).

#### [Supplementary Principle 3.1.3 Sustainability Initiatives]

In accordance with our corporate vision and management plan, we implement sustainability-oriented management focused on decarbonization, zero waste, and disaster prevention and mitigation to solve social issues and create economic value. Through

these efforts, we strive to provide new forms of prosperity to our stakeholders (customers, subcontractors, employees and their families, shareholders, and society at large) and enhance our corporate value in a sustainable manner. We identify key sustainability challenges as material issues, promote initiatives to address them, and report our progress to the Board of Directors. Additionally, our Long-Term Management Plan (<https://www.tokyu-cnst.co.jp/en/company/strategy/pdf/strategy.pdf>) outlines our human resource strategies, including investments in human capital, as well as our efforts to strengthen and establish the Tokyu Construction brand. Furthermore, regarding our initiatives to address climate change, we support the TCFD recommendations and disclose information in alignment with its framework. For details on our sustainability initiatives, please refer to our website (<https://www.tokyu-cnst.co.jp/en/sustainability/foundation/>).

[Supplementary Principle 4.1.1 Scope of Delegation to Management]

The Board of Directors appropriately delegates decision-making on matters outside its direct responsibility to executive Directors and corporate officers, in accordance with laws, regulations, and internal regulations.

[Principle 4.9 Independence Standards and Qualification for Independent Directors]

Please refer to our website ([https://www.tokyu-cnst.co.jp/en/sustainability/governance/corporate\\_governance/](https://www.tokyu-cnst.co.jp/en/sustainability/governance/corporate_governance/)) for further details.

[Supplementary Principle 4.10.1 Use of Optional Approach]

To enhance the independence, objectivity, and accountability of the Board of Directors in personnel and compensation matters relating to Directors, the Company has established the Appointments and Remunerations Committee under the Board of Directors. This committee is chaired by the lead Independent External Director, with a majority of its members being Independent External Directors. For details on the committee's independence, authority, and role, please refer to the supplementary explanation under "Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson" in "II. 1. Organizational Composition and Operation" in this report.

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

In addition to considering the diversity of the Board of Directors' composition, including gender, age, and skills, the Company identifies the skills necessary to advance its Long-Term Management Plan and achieve VISION 2030. The Board of Directors determines the appropriate composition and number of candidates based on the balance of these skills and the scale of the Company's business.

As for the skills matrix, please refer to the Notice of the Annual General Meeting of Shareholders for more information (<https://www.tokyu-cnst.co.jp/en/ir/stock/meeting/>).

[Supplementary Principle 4.11.2 Concurrent Positions Held by Officers]

For details regarding the concurrent positions held by officers, please refer to the Notice of the Annual General Meeting of Shareholders (<https://www.tokyu-cnst.co.jp/en/ir/stock/meeting/>).

[Supplementary Principle 4.11.3 Analysis and Evaluation of the Board of Directors' Effectiveness]

Our Corporate Governance Basic Policy stipulates that an evaluation is to be conducted to determine whether the Board of Directors is functioning properly, and a summary of the results is to be disclosed every year.

### (1) Implementation Overview for FY2024

With the cooperation of external consultants, an anonymous questionnaire regarding the effectiveness of the board of directors was conducted targeting all directors and auditors who are members of the board of directors, using a method that facilitates eliciting individual opinions from the executives.

### (2) Questionnaire Items

The content is aimed at understanding the improvement status of issues recognized in the previous questionnaire and the status of awareness regarding "composition, operation, and content of discussions of the board of directors," "support system for directors and auditors," "executive training," and "recognition of issues related to dialogue with shareholders (investors), etc."

### (3) Summary of Questionnaire Results

The questionnaire, among other evaluations, received generally positive reviews, confirming that our board of directors has adequately secured effectiveness.

#### a. Response Status to Issues from the Previous Evaluation

- Concerning the progress of internal discussions until the presentation to the board, the responsible director explained the summary of materials including the discussion progress.
- For the discussion on the succession planning, efforts were made to enrich the discussions on future management human resources candidates based on evaluation materials by a third party in the nomination and compensation committee.

#### b. Main Issues in the Current Evaluation

- A more detailed explanation of the content of internal discussions until the presentation to the board
- Enhancement of progress reports and other matters related to medium- to long-term management strategies

With these issues in mind, a governance committee chaired by the lead independent external director and comprising a majority of external members deliberated on improvement measures, confirmed the results at the board of directors, and evaluated effectiveness.

We will continue to improve the identified issues and enhance effectiveness in the future..

[Supplementary Principle 4.14.2 Training Policy for Directors and Audit & Supervisory Board Members]

Please refer to our website ([https://www.tokyu-cnst.co.jp/en/sustainability/governance/corporate\\_governance/](https://www.tokyu-cnst.co.jp/en/sustainability/governance/corporate_governance/)) for further details.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

For our investor relations policy, please refer to our website ([https://www.tokyu-cnst.co.jp/en/sustainability/governance/corporate\\_governance/](https://www.tokyu-cnst.co.jp/en/sustainability/governance/corporate_governance/)). In FY2024, the President, the officer in charge of IR, and other officers engaged in dialogue with domestic and international institutional investors to deepen their understanding of the Group's management policies as appropriate and necessary. Insights and concerns gathered during these discussions were regularly reported to management and the Board of Directors, they were utilizing in future business management and information disclosures. The Company maintains this ongoing cycle of investor dialogue.

## Action to Implement Management that is Conscious of Cost of Capital and Stock Price Updated

Description content	Disclosure of Initiatives (Update)
English disclosure	available
Updated	June 26, 2025

### Explanation regarding the relevant item

With a focus on achieving the goals of our ten-year Long-Term Management Plan, “To zero, from zero,” we aim for steady execution of strategies and realization of VISION 2030. We flexibly adjust our one-year short-term strategies and three-year targets based on environmental changes and the progress of our strategies.

For details on our Long-Term Management Plan and rolling strategies, please visit our website (<https://www.tokyu-cnst.co.jp/en/company/strategy/>). Information on key initiatives is available in our Integrated Report (<https://www.tokyu-cnst.co.jp/en/ir/report/>) and financial results presentation materials (<https://www.tokyu-cnst.co.jp/en/ir/information/>).

## 2. Capital Structure

Foreign Shareholding Ratio	10% or more but less than 20%
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## Status of Major Shareholders Updated

Name or Company Name	Number of Shares Held	Ratio of shares held (%)
Tokyu Corporation	15,362,777	14.45
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,618,800	11.87
Custody Bank of Japan, Ltd. (Trust Account)	5,256,800	4.94
Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank Re-trust Portion / Tokyu Corporation Retirement Benefit Trust Account)	3,520,000	3.31
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust - TAISEI CORPORATION Account - Re-Trust Trustee - Custody Bank of Japan, Ltd.	2,600,000	2.45
Tokyu Construction Employee Stock Ownership Association	1,966,063	1.85
KINDEN CORPORATION	1,924,000	1.81
Japan Master Trust Bank, Ltd. (Retirement Benefit Trust Account / Tokyu Corporation Account)	1,760,000	1.66
The Dai-ichi Life Insurance Company, Limited	1,533,906	1.44
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust - Tokyu Corporation Account - Re-Trust Trustee - Custody Bank of Japan, Ltd.	1,520,000	1.43

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	—
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Name of Parent Company, if applicable	None
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Supplementary Explanation

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### 3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Construction
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more but less than ¥1 trillion
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

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### 5. Other Special Circumstances which May have a Material Impact on Corporate Governance

Tokyu Corporation is a core company of the Tokyu Group. While it holds shares in the Company, given the percentage of voting rights exercised, we believe its influence through the holding of voting rights is limited. Moreover, we operate based on our own independent management policies, and recognize that our managerial independence is ensured.

Additionally, Tokyu Corporation engages in business under the same category as the Company, and there are transactions such as personnel relationships and receiving orders for construction works. However, there are no restrictions on transaction conditions, and these transactions are conducted under the same terms as those with other business partners with no capital ties.

SEKITOKYU KOGYO CO., LTD. is an affiliated company of Tokyu Construction. However, considering the percentage of voting rights exercised, our influence over it through the holding of voting rights is limited. Moreover, SEKITOKYU KOGYO CO., LTD. operates based on its own independent management policies, and we recognize that its managerial independence is ensured.

Additionally, SEKITOKYU KOGYO CO., LTD. engages in business under the same category as the Company, and there are transactions such as placing orders for construction works. However, there are no restrictions on transaction conditions, and these transactions are conducted under the same terms as those with other business partners with no capital ties.

## 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 Audit and Supervisory Board*
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\*Referred to as “Company with *Kansayaku* Board” in the Corporate Governance Code reference translation

#### Directors

Number of Directors Stipulated in Articles of Incorporation	12
Directors’ Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	9
Election of External Directors	Elected
Number of External Directors	3
Number of Independent External Directors	3

#### External Directors’ Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Isao Onda	CPA								○			
Kahori Yoshida	Lawyer											
Tsutomu Tsunashima	From another company								△			

\*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 or 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 business partner or a person who executes business for said person/entity
- Major business partner of the Company or a person who executes business for said business partner
- 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/Audit & Supervisory Board Member
- 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 business partner 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

External Directors' Relationship with the Company (2)

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Isao Onda	○	<p>Mr. Isao Onda is the Representative Director and President of Glory Total Management Co., Ltd. While Tokyu Construction makes payments to the company for business consignment services, the total amount is less than 10 million yen. Mr. Onda previously served as an Executive Director at Ernst &amp; Young ShinNihon LLC, the Company's accounting auditor. However, he resigned from this position prior to assuming his role as an officer of the Company. Considering the scale and nature of the transactions, it has been determined that there is no risk of influencing the judgment of shareholders and investors, and therefore, a summary description has been omitted.</p>	<p>Mr. Isao Onda has abundant experience and broad insights as a business manager, as well as his professional expertise as a certified public accountant and certified tax accountant. He has been appointed as an External Director with the expectation that he will contribute to oversight of overall businesses with his beneficial advice and opinions through his expertise and experience, and because he leads advisory committees such as the Appointments and Remunerations Committee, and the External Officers Committee as the lead Independent External Director, while also contributing to mutual coordination and the consolidation of opinions among External Directors and the enhancement of dialogue between External Directors and the senior management team. Furthermore, Mr. Onda meets the Company's standard for independence and has been designated as an independent officer, as there is no risk of conflicts of interest with general shareholders.</p>
Kahori Yoshida	○	—	<p>Ms. Kahori Yoshida has professional expertise as a lawyer and work experience in the real estate industry, and has been appointed as an External Director with the expectation that she will contribute to oversight of overall corporate businesses with her beneficial advice and opinions through her expertise and experience. Furthermore, Ms. Yoshida meets the Company's standard for independence and has been designated as an independent officer, as there is no risk of conflicts of interest with general shareholders.</p>
Tsutomu Tsunashima	○	<p>Mr. Tsutomu Tsunashima has previously served as an executive of Mizuho Trust &amp; Banking Co., Ltd., a business partner of the Company. However, he resigned from this position prior to assuming his role as a Director of the Company. Considering the scale and nature of the transactions, it has been determined that there is no risk of influencing the judgment of shareholders and investors, and therefore, a summary description has been omitted.</p>	<p>Mr. Tsutomu Tsunashima has gained broad insights through his career with a wealth of experience as a business manager at a think tank specialized in the real estate business, as well as years of experience as an officer in business execution at the trust bank. He has been appointed as an External Director with the expectation that he will contribute to oversight of the overall businesses with his beneficial advice and opinions through his expertise and experience. Furthermore, Mr. Tsunashima meets the Company's standard for independence and has been designated as an independent officer, as there is no risk of conflicts of interest with general shareholders.</p>

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee

Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Internal Directors	External Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Appointments and Remunerations Committee	5	0	2	3	0	0	External Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Appointments and Remunerations Committee	5	0	2	3	0	0	External Director

Supplementary Explanation

The Company has established the Appointments and Remunerations Committee under the Board of Directors, chaired by the lead Independent External Director and consisting of five Directors (three External Directors, the president, and one non-executive Director). The committee deliberates and decides on matters such as the President's succession plan and individual Director compensation based on decisions delegated by the Board of Directors. This aims to strengthen the independence, objectivity, and accountability of the Board's functions in personnel and compensation matters relating to Directors. The committee convened a total of eight times in FY2024.

## Audit & Supervisory Board Member\*

\*Referred to as “kansayaku” in Corporate Governance Code reference translation

Establishment of Audit & Supervisory Board	Established
Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	5

### Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The Company’s Internal Control Office conducts internal audits based on an annual audit plan. The results of these audits are reported to management, the Board of Directors, and the Audit & Supervisory Board. To facilitate the effective implementation of audits by Audit & Supervisory Board Members, close coordination is maintained with the Audit & Supervisory Board Members. Regular meetings are held between the Audit & Supervisory Board Members and the accounting auditor to discuss the audit framework, audit plans, and audit execution status. In addition, opinions and information are exchanged as necessary to enhance the effectiveness of the audit function and to strengthen mutual cooperation.

Appointment of External Audit & Supervisory Board Members	Appointed
Number of External Audit & Supervisory Board Members	3
Number of Independent External Audit & Supervisory Board Members	3

### External Audit & Supervisory Board Members’ Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Youichi Saito	Lawyer										○			
Yoshikazu Kato	Other													
Kazuo Kitamura	From another company										△			

\*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
- A non-executive Director or an accounting advisor of the Company or its subsidiaries
- Person who executes business for or a non-executive Director of the Company’s parent company
- An Audit & Supervisory Board Member of a parent company of the Company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major business partner or a person who executes business for said person/entity
- Major business partner of the Company or a person who executes business for said business partner
- 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/ Audit & Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)

- j. Person who executes business for a business partner of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
- k. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the Director/auditor him/herself only)
- l. Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
- m. Other

External Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Youichi Saito	○	Mr. Youichi Saito is the Representative of Saito General Law Office. While Tokyu Construction makes payments to the legal fees to Saito General Law Office, the total amount is less than 10 million yen.	Mr. Youichi Saito has been appointed as an External Audit & Supervisory Board Member with the expectation that he will leverage his professional knowledge as an attorney in the Company's audit process. Furthermore, Mr. Saito meets the Company's standard for independence and has been designated as an independent officer, as there is no risk of conflicts of interest with general shareholders.
Yoshikazu Kato	○	—	Mr. Yoshikazu Kato has been appointed as an External Audit & Supervisory Board Member with the expectation that he will leverage his broad insight, cultivated through extensive experience and career in government agencies and other institutions, in the Company's audit process. Furthermore, Mr. Kato meets the Company's standard for independence and has been designated as an independent officer, as there is no risk of conflicts of interest with general shareholders.
Kazuo Kitamura	○	Mr. Kazuo Kitamura has previously served as an executive of The Chiba Bank, Ltd., a business partner of the Company. However, he resigned from this position prior to assuming his role as an Audit & Supervisory Board Member of the Company. Considering the scale and nature of the transactions, it has been determined that there is no risk of influencing the judgment of shareholders and investors, and therefore, a summary description has been omitted.	Mr. Kazuo Kitamura has years of work experience at The Chiba Bank, Ltd., as well as a wealth of experience serving as Director and Auditor of Chibayaku Groceries, Inc. The Company has appointed him as an External Audit & Supervisory Board Member with the expectation that he will leverage his broad insight, cultivated through these roles, in the Company's audit process. Furthermore, Mr. Kitamura meets the Company's standard for independence and has been designated as an independent officer, as there is no risk of conflicts of interest with general shareholders.

## Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members

Number of Independent Directors and Independent Audit & Supervisory Board Members	6
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Other Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members

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The Company has designated all external officers who meet the qualifications for independence as independent officers.

## Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Other
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Supplementary Explanation for Applicable Items

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The Company has introduced a stock-based compensation plan for Directors, excluding External and non-executive Directors, to incentivize medium- to long-term corporate value enhancement and align Directors' economic interests with those of shareholders. Each year, the Board of Directors determines and grants restricted stock based on a standard amount corresponding to each Director's position.

Persons Eligible for Stock Options	
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Supplementary Explanation for Applicable Items

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## Director Remuneration

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

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For the fiscal year ended March 31, 2025, the Company paid a total of 218 million yen in remuneration to its Directors (including 30 million yen to External Directors) and 52 million yen to its Audit & Supervisory Board Members (including 18 million yen to External Audit & Supervisory Board Members). This amount includes 31 million yen in expenses recorded for the current fiscal year under the stock-based compensation plan.

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

For more details, please refer to “(3) Policies and Procedures for Determining the Remuneration of Directors, etc.” under “[Principle 3.1 Full Disclosure]” in “Disclosure Based on each Principle of the Corporate Governance Code” within section “I. 1. Basic Views” of this report.

### Support System for External Directors (and/or External Audit & Supervisory Board Members)

A system is in place to ensure the communication and sharing of information with External Directors, such as providing advanced explanations of Board meeting proposals, considering their urgency and importance. For External Audit & Supervisory Board Members, dedicated staff members are assigned to the Auditor’s Office to facilitate the communication and sharing of information, including providing prior explanations of Board meeting proposals.

### Status of Persons who have Retired as Representative Director and President, etc.

#### Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Tsuneo Iizuka	Adviser	Participation in external organization activities and providing advice upon request by the President	Part-time, with remuneration	2022/6/24	1 year (renewable annually)

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) After Retiring as Representative Director and President, etc.

1

#### Other Related Matters

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

The Company has adopted the Audit & Supervisory Board system and the Executive Officer system.

[Board of Directors]

The Board of Directors of the Company consists of nine members (including three External Directors, all of whom are independent officers). Directors serve one-year terms to clearly define management responsibilities for each fiscal year and to establish a dynamic and responsive management structure. The External Directors include a corporate executive with professional expertise as a certified public accountant and tax accountant, a lawyer with specialized knowledge and experience in the real estate industry, and a business executive with broad insights gained through a wealth of experience as a business manager at a think tank specialized in the real estate business, as well as years of experience as an officer in business execution at a trust bank. These External Directors offer much-needed perspectives during deliberations of issues and enable a sound management structure

to ensure that directors are carrying out their responsibilities fairly.

In addition to the regular Board of Directors' meetings, which are held once a month in principle, extraordinary meetings were held as necessary, resulting in a total of 16 meetings in FY2024. At these meetings, important business matters, including the formulation of management plans and policies, were discussed and resolved in accordance with internal regulations that cover matters required by law, the Articles of Incorporation, items authorized by resolutions of the General Meeting of Shareholders, and items to be submitted to the Board of Directors. Furthermore, updates on the execution of important business matters and other significant matters were provided as appropriate.

[Appointments and Remunerations Committee]

Please refer to the "Supplementary Explanation" under "Directors" in "1. Organizational Composition and Operation" above.

[Governance Committee]

The Company has established the Governance Committee under the Board of Directors, chaired by the lead Independent External Director and consists of six Directors (three External Directors, two Representative Director and one non-executive Director), and four Audit & Supervisory Board Members (three External Audit & Supervisory Board Members and one Company Audit & Supervisory Board Member)

The committee deliberates on issues extracted from results of survey on the effectiveness of the Board of Directors and makes recommendations aimed at continuously enhancing corporate governance as a whole and increasing corporate value. The committee convened once in FY2024.

[Audit & Supervisory Board and Audit & Supervisory Board Members]

The Audit & Supervisory Board of the Company consists of five Audit & Supervisory Board Members (including three external members, all of whom are independent officers). To strengthen the business audit function in line with compliance-based management, the External Audit & Supervisory Board Members comprise of a lawyer with professional expertise, as well as former officials from a government agency and a financial institution, each possessing extensive knowledge and experience. To assess the process of important decision-making and the status of business execution in accordance with their assigned responsibilities, each Audit & Supervisory Board Member monitors Directors' execution of duties by attending Board of Directors meetings and other key meetings and reviewing important decision-making documents. They also conduct hearings and investigations on business execution at divisions under their responsibility and, if necessary, receive business reports from subsidiaries. The results of these audits are then reported to the Directors. Additionally, dedicated staff members are assigned to the Auditor's Office to support the Audit & Supervisory Board Members in fulfilling their duties.

[Accounting Auditors]

For the fiscal year ended March 31, 2025, our financial audit was conducted by two certified public accountants, Messrs. Seiji Yamamoto and Naohiko Sawabe, both of whom belong to Ernst & Young ShinNihon LLC. The financial audit was further supported by five other certified public accountants and 24 additional staff members.

[Executive Officers]

To expedite decision-making in business operations and strengthen the functions of each division, the Board of Directors appoints 29 full-time Executive Officers, who serve one-year terms, the same as Directors.

[Management Meeting]

The Management Meeting, chaired by the President and composed of five executive Directors and three Executive Officers, is held as necessary to expedite decision-making on important management policies and issues. The Meeting was convened a total of 46 times in FY2024.

[Limited Liability Agreement and Directors' Liability Insurance Contract]

The Company has concluded agreements with Directors Kazuyoshi Kashiwazaki, Isao Onda, Kahori Yoshida, Tsutomu Tsunashima, and all Audit & Supervisory Board Members to limit their respective liabilities for damages referred to in Article 423 (1) of the Companies Act, provided that they have acted in good faith and without gross negligence, pursuant to the provision of Article 427 (1) of said Act. The maximum amount of liability for damages prescribed in such agreements is the minimum liability amount stipulated in the items of Article 425 (1) of said Act.

Additionally, the Company has entered into a Directors' liability insurance contract with an insurance company, as stipulated in Article 430-3 (1) of the Companies Act, which covers liability for damages and litigation costs incurred by the insured person as a result of compensation claims arising from actions performed in the course of their duties during the insurance period. The insured persons include Directors, Audit & Supervisory Board Members, Executive Officers, and important employees under the companies Act.

### **3. Reasons for Adoption of Current Corporate Governance System**

We have appointed three External Directors and three External Audit & Supervisory Board Members, believing that a structure consisting of a Board of Directors with External Directors and an Audit & Supervisory Board with External Audit & Supervisory Board Members is the optimal framework for overseeing and auditing business execution. The External Directors include a corporate executive with professional expertise as a certified public accountant and tax accountant, a lawyer with specialized knowledge and experience in the real estate industry, a professional with expertise in digital and scientific technologies, as well as in technical strategy formulation, new business creation, and large acquisition deals, and a business executive with broad insights gained through a wealth of experience as a business manager at a think tank specialized in the real estate business, as well as years of experience as an officer in business execution at a trust bank. These External Directors offer much-needed perspectives during deliberations of issues and enable a sound management structure to ensure that directors are carrying out their responsibilities fairly.

External Audit & Supervisory Board Members leverage their extensive knowledge and experience to ensure the validity and appropriateness of the Board of Directors' decision-making by offering necessary opinions during proposal deliberations. They also make essential contributions at Audit & Supervisory Board meetings, particularly regarding important discussions and audit results.

### 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	Sent on June 6 for the June 25 General Meetings of Shareholders (18 days)
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	Meetings scheduled to avoid peak days
Electronic Exercise of Voting Rights	Adopted from the 16th Annual General Meeting of Shareholders (June 2019).
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	Participation in an electronic voting platform (TSE Platform)
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	English translation of part of the Notice of Annual General Meeting of Shareholders prepared, submitted to the Tokyo Stock Exchange, and posted on the Company's website
Other	Explanatory videos used at the General Meeting of Shareholders for deeper understanding of the business report

#### 2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	Available on our website	
Regular Investor Briefings held for Analysts and Institutional Investors	Semi-annual briefings are held for institutional investors to provide updates on management performance	Held
Online Disclosure of IR Information	Financial results and other timely disclosure materials, management plans, business performance trends, notices of general meetings of shareholders, and the IR calendar	
Establishment of Department and/or Placement of a Manager in Charge of IR	Corporate Communications Department	

### 3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Regulations Stipulating Respect for the Position of Stakeholders	The Company has stipulated in its Corporate Governance Basic Policy that we will strive for appropriate cooperation with various stakeholders, including shareholders, customers, employees, and local communities, and we are actively engaged in this effort. Additionally, in accordance with the Tokyu Group Compliance Guidelines, we have created a Compliance Code and are committed to carrying out business operations that respect stakeholders such as investors, customers, and employees, as well as engaging in timely, appropriate, and fair information disclosure.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	We have centered the environment in our corporate vision, “VISION2030,” and declared four initiatives as our Eco-First Commitment: achieving a decarbonized society, establishing a circular economy, enhancing biodiversity conservation and environmental education, and engaging with the supply chain. Moving forward, we will further reinforce our efforts, including reviewing our management systems and enhancing information disclosure. For more details on specific activities, please refer to our Integrated Report ( <a href="https://www.tokyu-cnst.co.jp/en/ir/report/">https://www.tokyu-cnst.co.jp/en/ir/report/</a> ).
Formulation of Policies, etc. on Provision of Information to Stakeholders	Our Corporate Governance Basic Policy and Disclosure Policy stipulate that we will strive to disclose information in a timely and appropriate manner, in compliance with the Financial Instruments and Exchange Act, other relevant laws and regulations, as well as the timely disclosure rules established by financial instrument exchanges.

## IV. Matters Concerning the Internal Control System

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

The Company's Board of Directors has resolved as follows regarding systems to ensure the appropriateness of business operations.

- (1) System to Ensure that Directors and Employees Perform Their Duties in Compliance with Laws, Regulations, and the Articles of Incorporation:
  - a. Directors shall promote compliance by ensuring awareness of the Compliance Code and taking the lead in its implementation. Employees shall adhere to laws, regulations, and the Articles of Incorporation, and practice compliance.
  - b. To prevent and detect violations of laws, regulations, and the Articles of Incorporation at an early stage, internal whistleblowing rules shall be widely disseminated and effectively implemented
  - c. The Internal Audit Division shall conduct audits to ensure that the execution of duties by employees complies with laws, regulations and the Articles of Incorporation.
  - d. To ensure the legality of Directors' business execution, multiple External Directors shall be appointed as a robust check-and-balance mechanism.
  - e. To ensure the reliability and appropriateness of financial reporting, internal regulations related to financial reporting shall be established, and their effective operation shall be continuously monitored and verified.
  - f. The Company shall firmly and systematically respond to unreasonable demands from anti-social forces and sever all transactions and relationships with such forces.
- (2) System to Store and Manage Information Concerning the Execution of Duties by Directors:
  - a. Information and documents related to the execution of duties by Directors shall be properly stored and managed in accordance with internal regulations and operational manuals. The management of such information will be verified and reviewed as necessary.
  - b. Business execution will be systematized and a database established through the use of electronic approval systems, etc., and will be operated and managed under the jurisdiction of the officer in charge.
- (3) Rules and Other Systems for Managing the Risk of Losses:
  - a. Risk management related to compliance, the environment, disasters, quality, and information security shall be handled by the respective departments in accordance with internal regulations. For any newly emerging risks, a responsible party shall be promptly designated to address them.
  - b. Meetings of the Council of Business Unit Managers will be held to communicate the Company's overall business execution policies, report on operational progress, and facilitate discussions and coordination.
  - c. A Head Office Risk Management Council, Orders Received Council, Overseas Council, Real Estate Transaction Council, Business Investments Council, and Venture Investment Committee will be established as cross-organizational mechanisms to conduct preliminary risk assessment and ongoing monitoring of risks related to construction orders, real estate transactions, and other business investments.
- (4) System to Ensure the Efficient Execution of Duties by Directors:
  - a. In addition to the regular Board of Directors' meetings, which are held once a month in principle, extraordinary meetings shall be held as necessary to facilitate swift and efficient management decision-making. Additionally, to clearly define

management responsibilities for each fiscal year and to establish a dynamic management structure, the term of office for Directors shall be set at one year.

- b. The Company shall adhere to the requirement to submit all matters related to business execution that meet the criteria stipulated in the Board of Directors' regulations for deliberation by the Board.
  - c. The Management Meeting, chaired by the President shall be held as necessary to expedite decision-making on important management policies and issues.
  - d. An executive officer system shall be introduced to accelerate decision-making in business execution and enhance divisional functions.
  - e. The Company shall formulate its vision, management plan, short-term strategies, and divisional action plans based on the corporate philosophy. Each division shall carry out its operations toward achieving these goals, regularly reporting on implementation progress, and issuing instructions and directives as necessary.
  - f. In the daily execution of business operations, authority shall be delegated to the heads of each division in accordance with the Rules of Administrative Authority, and these division heads shall carry out the operations accordingly.
- (5) System to Ensure the Appropriateness of Business Operations within the Company's Corporate Group:
- a. The Group shall conduct integrated management of its operations and implement appropriate risk management in accordance with the Group Company Management Regulations, aiming to enhance corporate value.
  - b. The division in charge shall conduct monitoring activities, receive status reports on the business operations and assets of subsidiaries, assess risk and compliance, and provide advice and guidance as necessary.
  - c. The head of the division in charge of group companies shall handle prior consultations with subsidiaries and reports from them, promptly reporting them to the Director in charge. The Director, if necessary, report to the Management Meeting and the Board of Directors.
  - d. The Internal Audit Division shall conduct audits to ensure appropriate business operations at subsidiaries.
- (6) Matters Concerning Employees Assisting the Duties of Audit & Supervisory Board Members, Their Independence from Directors, and Ensuring the Effectiveness of Instructions Given to Them:
- a. The Auditor's Office, which reports directly to the Audit & Supervisory Board Members, shall serve as the organization assisting the Audit & Supervisory Board Members and shall be staffed with an Office Manager and employees.
  - b. The Office Manager and employees of the Auditor's Office shall be exclusively assigned to their duties under the direction of the Audit & Supervisory Board Members. Any personnel transfers or evaluations shall require the approval of the Audit & Supervisory Board Members.
- (7) System for Directors and Employees of the Company and Its Subsidiaries to Report to Audit & Supervisory Board Members, Other System to Report to Audit & Supervisory Board Members, and System to Ensure No Adverse Treatment is Imposed for Making Such Reports:
- a. Audit & Supervisory Board Members shall attend Board of Directors meetings, Management Meetings, and other important meetings to gain insight into key decision-making processes and the status of business execution, and shall provide opinions when deemed necessary.
  - b. Audit & Supervisory Board Members shall facilitate communication and exchange of information with Directors and employees of the Company and its subsidiaries.

- c. Matters to be reported to Audit & Supervisory Board Members shall include those stipulated by laws and regulations, and the Audit & Supervisory Board Members Audit Regulations, as well as any matters requested by the Audit & Supervisory Board Members.
  - d. If Directors or employees of the Company or its subsidiaries discover or receive reports of matters that could cause significant harm to the Company or significant facts related to violations of laws, regulations, or the Articles of Incorporation, they shall promptly report the matter to the Audit & Supervisory Board Members, the Auditor's Office, or the Company's internal whistleblowing contact point, the Compliance Consultation and Reporting Desk.
  - e. The department in charge of the Compliance Consultation and Reporting Desk shall report the status of reports regularly to the Board of Directors, the Audit & Supervisory Board, and the Management Meeting.
  - f. The Company shall not treat whistleblowers disadvantageously for making a report.
- (8) Other Systems to Ensure that Audits by the Audit & Supervisory Board Members are Effectively Conducted:
- a. The Audit & Supervisory Board Members and the Audit & Supervisory Board shall request the Representative Director, etc., to secure the necessary environment for conducting audits, including recognizing and understanding the importance and usefulness of audits by Audit & Supervisory Board Members and facilitating smooth audit activities.
  - b. The Audit & Supervisory Board Members and the Audit & Supervisory Board shall hold regular discussions with the Representative Director and accounting auditors to exchange opinions.
  - c. The Audit & Supervisory Board Members shall coordinate with the Internal Audit Division.
  - d. The necessary funds for carrying out the duties of Audit & Supervisory Board Members shall be secured.

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

### ■ Basic Views on the Elimination of Anti-Social Forces

The Company's basic policy for the internal control system stipulates the thorough dissemination of the Compliance Code, and specifies that the Company shall firmly and systematically respond to unreasonable demands from anti-social forces and sever all transactions and relationships with such forces.

### ■ Status of the System for the Elimination of Anti-Social Forces

The Company adopts the principle of the Three No's + One (do not give money, do not use, do not fear, do not associate) as the basis for dealing with anti-social forces. Legal judgment is the premise, and the Company strives to resolve each incident appropriately based on its individual circumstances. The specific measures in place are as follows:

- (1) Establishment of a Department in Charge and Appointment of a Person in Charge for Preventing Unjust Demands
 

In the event of unjust demands from anti-social forces, information from the relevant department is communicated to the general affairs and legal affairs divisions at Head Office through the established reporting channels, ensuring a structured response, including sharing information and countermeasures across the organization.
- (2) Coordination with External Specialist Organizations
 

The Company has established a liaison and reporting system for the elimination of anti-social forces, in close collaboration with local police departments.
- (3) Collection and Management of Information on Anti-Social Forces
 

The Company actively participates in seminars organized by the Anti-Organized Crime Campaign Center of Tokyo to gather information on the activities of anti-social forces and countermeasures against such forces. This allows us to maintain

up-to-date information and provide it to operational departments in the general affairs divisions of Head Office and branch offices.

(4) Development of Response Manuals

The Company has prepared a Compliance Manual to ensure that, in all transactions, we confirm the other party is not an anti-social force. Additionally, a Manual for Responding to Unjust Demands has been developed to ensure a thorough approach to the elimination of anti-social forces.

(5) Implementation of Training Activities

With guidance and cooperation from the local police, the Company organizes seminars focused on the elimination of anti-social forces. Individual training sessions are held as needed, explaining the latest laws and introducing recent case studies.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation for Applicable Items	
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### 2. Other Matters Concerning the Corporate Governance System

#### Overview of the Timely Disclosure System

The Company embraces fair and transparent management as part of our corporate philosophy and, in accordance with the Tokyo Group Compliance Guidelines and internal compliance regulations, we strive to disclose meaningful information to various stakeholders, including investors, customers, business partners, and employees in a timely manner. To ensure sustainable development, we have established a management system to enhance the transparency of management and the functionality of internal controls.

(1) Identification and Reporting of Material Facts

Various company information subject to timely disclosure within the Company and its subsidiaries is identified at the Head Office divisions, branches, business divisions, and subsidiaries. This information is then reported to the Corporate Strategy Division at the Head Office through the division heads in charge.

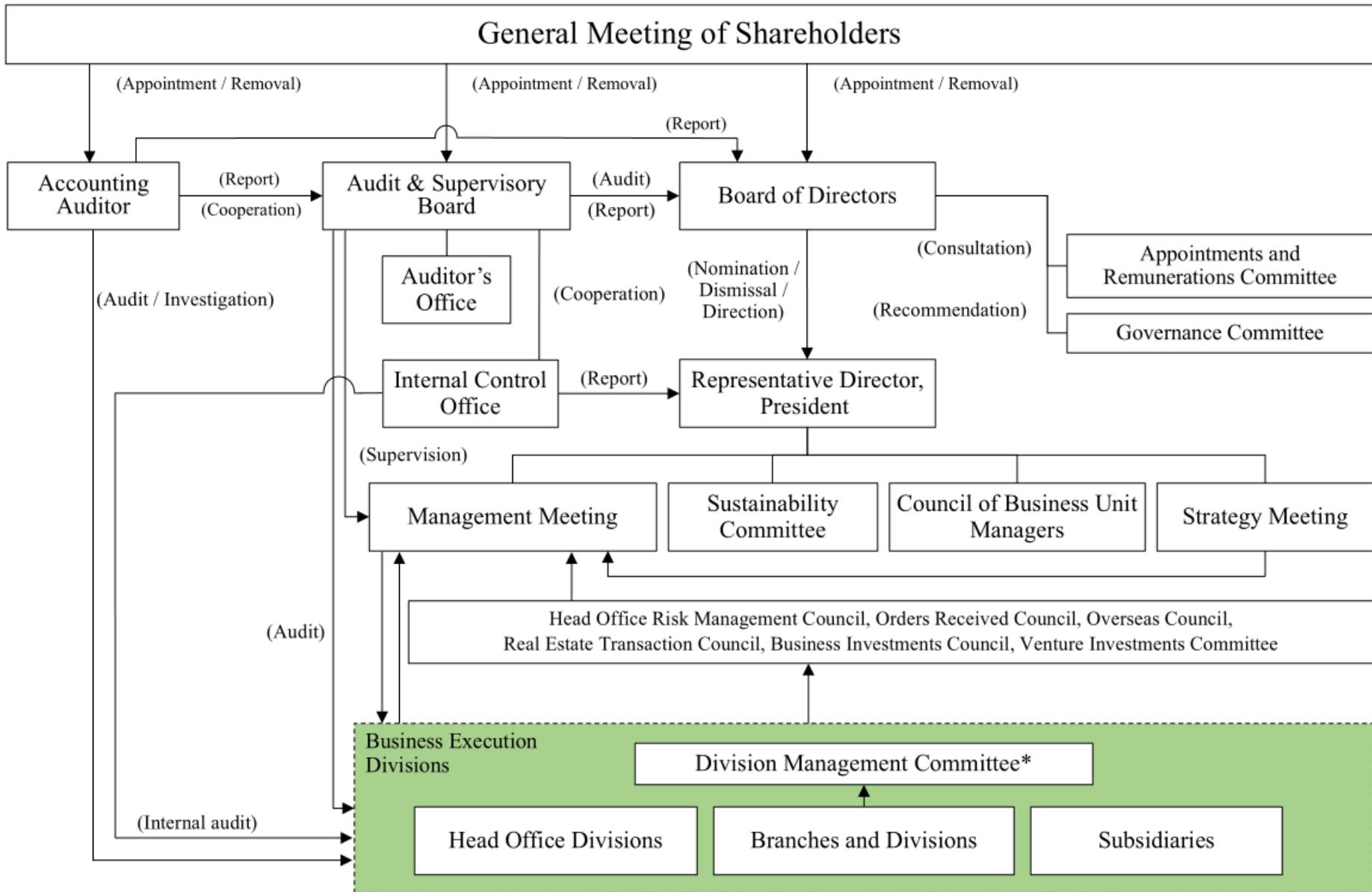
(2) Timely Disclosure of Material Facts

The General Manager of the Corporate Strategy Division, who also serves as the Chief Information Officer (CIO), will consult and discuss with the General Managers of the Corporate Planning Department, Corporate Management Department, and Corporate Communications Department regarding the content of the information and decision on disclosure. Emergent material facts will be confirmed with management, and decisions and financial results will be deliberated by the Management Meeting and the Board of Directors, before the Company proceeds with the registration of the disclosure information with the Tokyo Stock Exchange. Additionally, depending on the nature of the disclosed information, it will be made public through media outlets or on the Company's website.

(3) Information Management and Compliance

Company information is managed in accordance with the Insider Trading Prevention Regulations, and trading restrictions on stocks and other securities are enforced. Additionally, disclosure materials are prepared with advice and guidance from third parties, such as lawyers and accounting auditors, as necessary.

# Corporate Governance Structure Diagram



\*The body that discusses and decides on operational policies and business execution of branches and divisions in accordance with internal rules.

# Overview of the Timely Disclosure System (Schematic Diagram)

