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**Fuyo General Lease Co., Ltd.**

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Securities code: 8424

<https://www.fgl.co.jp/eng/>

The corporate governance of Fuyo General Lease Co., Ltd. (the “Company”) is described below.

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

### 1. Basic Views

The Fuyo Lease Group believes that placing importance on relationships with shareholders, customers, employees, local communities, and various other stakeholders and engaging in honest and fair business activities to achieve the performance targets of “Fuyo Shared Value 2026”, the medium-term management plan for fiscal 2022 to fiscal 2026, in accordance with the Fuyo Lease Group’s Mission/Vision/Value are the foundation of corporate governance and the most important task of management

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

The Company has implemented each principle of the Corporate Governance Code.

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

Our basic views on Corporate Governance, the governance structure, operating policy, and other aspects of corporate governance are set forth in our Corporate Governance Guidelines (hereafter, “Guidelines”), on the Company’s website. They can be viewed at the following URL:

<https://www.fgl.co.jp/eng/sustainability/corporate/governance.html>

[Principle 1.4 Basic Policy on Cross-Shareholding and the Exercise of Voting Rights Pertaining to Cross-Shareholdings]

See Article 7 in the Guidelines. An overview of due diligence on cross-shareholdings of listed companies by the Board of Directors as of March 31, 2026 is disclosed in the Securities Report for Period 57.

[https://ssl4.eir-parts.net/doc/8424/yuho\\_pdf/S100YF6A/00.pdf](https://ssl4.eir-parts.net/doc/8424/yuho_pdf/S100YF6A/00.pdf)

[Principle 1.7 Related Party Transactions]

See Article 8 in the Guidelines.

[Supplementary Principle 2-4 (1)] Ensuring diversity in the appointment core personnel

(1) Approach to Ensuring Diversity

The Company is fostering an enthusiastic corporate culture where every employee thrives and performs at their best. The Company is committed to creating an inclusive environment where everyone can achieve a healthy work-life balance and reach their full potential. The Company support our team through childcare and elder care seminars, individualized one-on-one consultations, and access to diverse career role models. Furthermore, The Company actively encourage all employees, including men taking paternity leave, to utilize their annual paid time off.

(2) Voluntary and Measurable Goals for Ensuring Diversity

The current status (as of the end of March 2026) and targets for women, non-Japanese, and mid-career hires in our company are as follows.

- ① Ratio of female employees in management positions Current: 33.0% / Goal: 35% or more (by the end of FY 2026)
- ② Appointment of non-Japanese managers Current: 0 / Goal: About 2 (by the end of FY 2030)
- ③ Appointment of mid-career hire managers Current: 164 / Goal: Current status

(3) Human resource development policy and internal environment policy and status to ensure diversity

In order to achieve possible sustainable growth with CSV at the center, The Company is investing in the development of human resources who are “highly specialized in each business area and capable of creating high added value” and “self-motivated, self-directed individuals who think independently and act proactively with a desire to grow. In particular, we are expanding our educational programs to enhance the skills required and necessary for creating value from the bottom up in all business areas, such as language, DX, and new finance, as well as the specialized skills that are the source of high added value in each business area, such as energy, BPO, and healthcare.

In addition, to develop self-reliant human resources with a desire to grow, we have introduced an "in-house coaching certification program" for management-level employees, which is used to practice guidance of subordinates that elicits autonomy. The cafeteria plan we started in fiscal 2022 has taken root and is utilized by employees for autonomous learning, such as attending English conversation and business schools, and outsourced seminars.

For this item, please also refer to Article 22 of the Guidelines, the Securities Report and on the Company’s website.

<https://www.fgl.co.jp/eng/sustainability/corporate/governance.html>

[https://ssl4.eir-parts.net/doc/8424/yuho\\_pdf/S100YF6A/00.pdf](https://ssl4.eir-parts.net/doc/8424/yuho_pdf/S100YF6A/00.pdf)

<https://www.fgl.co.jp/eng/sustainability/society/>

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

In order to ensure the safe and efficient management of the contract-based corporate pension fund, the Company established a Pension Asset Management Committee, which is chaired by the director in charge of the Human Resources Division and includes the general managers of the Human Resources Division, Finance Division, Financial Planning Division, and Finance Business Division, as well as the chairman of the employee labor union (with the participation of financial institutions, etc., as needed, as observers) in April 2024, in accordance with the basic policy for the management of pension assets, the Company manages its reserves through investment institutions.

Management of both pension funds is entrusted to management firms that adhere to the Japanese Stewardship Code and the Company monitors each firm contracted for management on a regular basis. In addition, in the Pension Fund Association in which we are a member, the Company has established an operational system in which persons with expertise are assigned to the Asset Management Committee as members.

[Principle 3.1]

(1) Corporate Vision (Management Philosophy, etc.), Management Strategy, and Management Plan

The Group's Mission/Vision/Value, management strategies, and management plans, including the Company's medium-term management plan and business overview by field, are disclosed in the Business Report attached to the "Notice of the 57th Annual General Meeting of Shareholders", and on the Company's website.

[https://ssl4.eir-parts.net/doc/8424/ir\\_material6/186350/00.pdf](https://ssl4.eir-parts.net/doc/8424/ir_material6/186350/00.pdf)

<https://www.fgl.co.jp/eng/ir/management/pdf/management-plan2.pdf>

<https://ssl4.eir-parts.net/doc/8424/announcement/120861/00.pdf>

(2) Basic Views and Basic Policy on Corporate Governance

See Provision 1., above, and the Guidelines.

(3) Policy and Procedure for Determining the Remuneration of Directors and Audit & Supervisory Board Members

Please refer to Article 21 of the Guidelines and "Director Remuneration" below.

(4) Policy and Procedure for Nomination and Dismissal of Candidates for Directors and Audit & Supervisory Board Members

Please refer to Articles 10, 11 and 12 of the Guidelines.

(5) Providing Explanations for Individual Appointments and Nominations for the Positions of Director and Audit & Supervisory Board Member

The reason for nomination is disclosed in the Reference Documents appended to the Notice of the 57th Annual General Meeting of Shareholders for each candidate nominated for the position of director or audit &

supervisory board member. See the Company's website.

([https://ssl4.eir-parts.net/doc/8424/ir\\_material6/278947/00.pdf](https://ssl4.eir-parts.net/doc/8424/ir_material6/278947/00.pdf))

[Supplementary Principle 3-1 (3)] Approaches to Sustainability

(1) Approaches to Sustainability

The Fuyo Lease Group works on solving social issues represented by the SDGs through our business operations, and works on Sustainability issues based on the concept of CSV(Creating Shared Value) in order to achieve both the building of a sustainable society and sustainable growth as a company. Our basic approach to sustainability and CSV is set forth in our "Basic Policy on Systems to Support Sustainable Value Creation," and we have established a "CSV Promotion Committee" to promote these efforts.

<Basic Policy on Systems to Support Sustainable Value Creation>

In addition to meeting the expectations of society and our stakeholders, the Fuyo Lease Group is committed to building a sustainable society and achieving sustainable growth as a company through our business operations, and to addressing social issues such as the SDGs. To this end, we will position the concept of CSV as the foundation of our management and strengthen it as a long-term strategy.

1. Responding to climate change

In response to climate change issues, the Fuyo Lease Group is working to reduce greenhouse gas emissions from its own operations. At the same time, we recognize the growing demand for renewable energy and environmentally friendly products and services as a business opportunity and are working to help our customers decarbonize. In addition, as a measure to adapt to climate change, we are working to strengthen our resilience in the event of an emergency by promoting BCP measures that assume risks such as restrictions on corporate activities due to an increase in natural disasters. We will work proactively to mitigate and adapt to climate change and achieve sustainable growth.

2. Respect for Human Rights

The Fuyo Lease Group will act in a manner that respects the dignity and basic human rights of all people, including business partners, officers and employees, and will build a corporate culture filled with a spirit of respect for human rights.

3. Human Resource Strategy to Enhance Value

The Fuyo Lease Group believes that "Human Capital" are its greatest asset. We respect each employee and his or her individuality, and we believe it is important for employees to "job satisfaction" and "motivated to work", to grow through their work, and to lead fulfilling lives both physically and mentally. We also believe that the sustainable growth of the Group will be achieved by encouraging the growth of every employee and maximizing the use of their talents and abilities, thereby simultaneously enhancing corporate value and creating

social value.

#### 4. Contributing to the Community

The Fuyo Lease Group recognizes its deep relationship with local communities, and we want to continue to grow together while fulfilling our role as a good corporate citizen that contributes to the development of local communities. The Group has established a social contribution policy and is engaged in social contribution activities mainly in the areas of "environment," "local communities," "academia and research," and "support for disaster-stricken areas," while making use of the Group's know-how, products and services.

#### 5. Approach to Risk

The Fuyo Lease Group anticipates a variety of risks that could arise in the course of business development and is taking steps to address them. Details of the Group's business and other risks are disclosed in our Annual Securities Report, and the status of our response to these risks is regularly reported to the Board of Directors.

#### 6. Ensuring compliance

The Fuyo Lease Group has positioned thorough compliance as a fundamental management principle, and we are working to strengthen and enhance the compliance system to ensure strict adherence to all laws, regulations and rules, as well as to carry out honest and fair corporate activities that do not violate social norms.

the Fuyo Lease Group established “the Fuyo Lease Group Human Rights Policy” by approval of the Board of Directors and disclosed it on the Company's website to clarify the Group's support for international standards and its commitment to fulfilling its responsibilities by promoting initiatives to respect human rights in its business activities.

<https://www.fgl.co.jp/eng/sustainability/society/human-rights/policy.html>

#### (2) Investment in Human Capital

To achieve the goals of our medium-term management plan, “Fuyo Shared Value 2026,” we view our people as our most vital asset. We drive this strategy by empowering personal growth and open dialogue to simultaneously solve social issues and generate economic value. To address increasingly diverse and complex social issues and customer needs, it is essential to develop and secure talent that combines expertise with strong communication skills and can proactively create value on their own initiative. We view investment in human capital as the foundation for enhancing corporate value over the medium to long term.

As the foundation for our talent strategy, we have defined our approach to talent investment and identified three key priorities: “Strategic Talent Development,” “Diversity & Inclusion,” and “Health Management & Work-Life Balance.” Through these initiatives, we encourage each employee to realize their full potential and pursue self-directed growth.

In line with this policy, to further strengthen our investment in human resources, we plan to increase human resource development-related expenses to 300% (compared with the end of fiscal year 2021) in our medium-

term management plan. In addition to the knowledge and business skills required for traditional lease financing, we will expand our training programs to include language skills, digital transformation (DX), and cutting-edge finance, with the aim of enhancing value across each business area. To deepen our expertise across all business areas, we have added a flexible cafeteria plan to our professional development program. This plan expands financial support for external seminars, language courses, and professional certifications. By doing so, we aim to empower employee initiative and boost motivation.

Regarding the treatment of employees, the Company strives for stable and steady improvement, taking into consideration the environment surrounding the industry and the Company's business performance.

The Company's performance in terms of training and compensation is as follows

① Performance in terms of training

- Training-related expenses: 264 million yen (as of March 31.2026, 310% compared to FY 2021 (the final year of the previous medium-term management plan))
- Dispatch of trainee to overseas subsidiary: 9 people (as of May 31.2026)
- Dispatch of employees for training in Japan for educational purposes (including secondment): 19 people (as of May 31.2026)

② Performance in terms of compensation

- Average employee salary: 9.78 million yen (as of March 31.2026)

(3) Investment in intellectual property

We manage our business portfolio based on a zone management approach and in the "incubation zone", which is set as one of the portfolios, we are promoting investments in new ventures and capital and business alliances, as well as expanding our business domain through collaboration with ventures in which we have already invested in order to foster new businesses through investments in R&D-oriented ventures,

In addition, as a measure to contribute to academia and research, as well as to culture and the arts, we invest in funds that support the commercialization of university research results, and in funds that support students who aspire to become artists.

Our approach to zone management and the results of our venture investments are disclosed in the Integrated Report and the Company's website.

<https://www.fgl.co.jp/eng/sustainability/download.html>

<https://www.fgl.co.jp/eng/sustainability/society/>

(4) Information Disclosure Based on TCFD Recommendations

We recognize climate change as a pressing issue in society, and in addition to reducing our own greenhouse gas emissions, we are actively working to promote the decarbonization of society and our customers through our business.

We have also expressed our support for the recommendations of the TCFD (Task Force on Climate-related

Financial Disclosures) in May 2019, we analyze the impact of risks and opportunities related to climate change on our business activities based on the TCFD framework and disclose them on our website.

(<https://www.fgl.co.jp/eng/sustainability/environment/tcf.html>)

[Supplementary Principle 4—1(1)] Overview of the Scope of Delegation to Management

See Article 9, Paragraph 4 in the Guidelines.

[Principle 4.9] Independence Standards for Outside Officers

See the Annex to the Guidelines 2 (Independence Standards).

[Supplementary Principle 4-10 (1)]

The Company has established the Nomination and Remuneration Advisory Committee as a voluntary advisory body to the Board of Directors (establishment date: November 5, 2015).

Including our approach to independence, details of the composition of the Nomination and Remuneration Advisory Committee are described in "Status of Establishment of Voluntary Committees, Composition of Members, and Attributes of the Committee Chairperson.

[Supplementary Principle 4-11(1)] Views on the balance of knowledge, experience, and ability, diversity, and size of the Board of Directors as a whole and Skill Matrix

(1) Concept of composition of the Board of Directors, qualifications of directors, and nomination and dismissal procedures

Please refer to Articles 10 and 11 of the Guideline.

(2) Skills Matrix

The Company believes that in order to expand its business domain while appropriately responding to discontinued and rapid changes in the business environment, it is important to have officers on the Board of Directors who have a wide range of skills (knowledge, experience, ability, etc.) to practice effective supervision while taking a broad view of such changes.

The areas (skills matrix) that we expect from each director and audit & supervisory board member, based on their expertise and experience, in order to steadily implement the Group's medium-term management plan and achieve its goals are as shown in Reference Material 2.

The Company will use the skills matrix to determine whether the current Board of Directors is composed of individuals who can fully demonstrate its effectiveness, and will also use it to select future directors, etc.

[Supplementary Principle 4-11(2)] Concurrent Appointments of Directors and Audit & Supervisory Board Members

Significant concurrent appointments of directors and audit & supervisory board members are disclosed in the

Business Report and in the Reference Documents for the General Meeting of Shareholders in the Notice of the 57th Annual General Meeting of Shareholders.

([https://ssl4.eir-parts.net/doc/8424/ir\\_material6/278947/00.pdf](https://ssl4.eir-parts.net/doc/8424/ir_material6/278947/00.pdf))

[Supplementary Principle 4-11(3)] Analysis and Evaluation of Overall Effectiveness of the Board of Directors  
All directors and audit & supervisory board members were surveyed and interviewed as needed to analyze and evaluate the overall effectiveness of the Board of Directors. The Nomination and Remuneration Advisory Committee, of which the majority is comprised of independent outside directors (with legal counsel assisting the Board of Directors Operations Office), deliberated and reported on the results, and the Board of Directors adopted a resolution. Five evaluation items were set: composition of the Board of Directors, role of the Board of Directors, operation of the Board of Directors, support system for outside officers, and summary.

The outline of the analysis / evaluation results for FY 2025 is as follows.

1. The Board of Directors was found to be appropriate in all evaluation items, including size and composition, functions and roles, and operation, and its effectiveness was confirmed. However, it is necessary to continue to steadily promote and further establish measures to improve the functions of the Board of Directors and to constantly review the Board in response to changes in the internal and external environment.

2. The status of responses to the issues in the previous analysis and evaluation is as follows, confirming that improvements in effectiveness have been made.

- Issue 1 “Improving Board of Director Functions” : The Company updated our fiscal 2026 plans based on a thorough review of our 2025 strategy, ensuring our group-wide management aligns with the evolving market landscape. The Company also delivered targeted briefings to the Board of Directors on our governance structure, risk management, and cybersecurity frameworks. Through these actions, the Company continue to steadily upgrade board functionality.

- Issue 2 “Deepening Discussion on Medium-to long Term Strategy” : To foster highly engaged board discussions, the Company allocated dedicated time during progress reports for each business domain's medium-term plan. Furthermore, the Company hosted four strategic exchange sessions with outside directors in fiscal 2025 to shape our next medium-term management plan. These sessions allowed us to deeply align on the Group’s future vision and long-term trajectory.

- Issue 3 “Optimizing Information Sharing for Independent Directors” : To support our outside directors, the Company is proactively upgrading how we deliver key institutional knowledge. The Company collaborate closely with our directors and auditors to design relevant training themes, interactive roundtables, and facility site visits. These targeted engagements are scheduled continuously throughout the year to keep leadership fully informed.

- Issue 4 “Improvements to Board Operations” : The Company is proactively upgrading how we deliver key institutional knowledge. The Company is also working to improve board operations by streamlining the presentation of agenda items at board meetings and other gatherings.

• Issue 5 “Strengthening of Audit Functions” : To reinforce our internal oversight, the Board of Directors now receives direct reports on audit findings alongside the standard audit policies and plans established by our auditors. This integrated reporting model significantly enhances corporate accountability and strengthens the overall audit function.

Looking ahead, the Company will continue to strengthen Board effectiveness and deepen our long-term strategic dialogue. To maximize Board oversight, the Company will implement rigorous risk-management updates addressing our fiscal 2025 loss incidents, while closely evaluating post-merger integration (PMI) performance for our newly consolidated subsidiaries. Furthermore, the Company will advance our medium-to long term planning through an integrated approach to business portfolio strategy, inorganic growth, risk management, and human capital development. To support these goals, the Company remain dedicated to expanding transparent investor relations, improving the information pipeline for outside directors, and hosting demand-driven site visits, training sessions, and interactive roundtables.

In addition, the Company has identified several medium- to long-term priorities to advance our corporate governance. The Company is committed to diversifying and balancing the composition of our Board of Directors, while strengthening the oversight capabilities of the Nomination and Remuneration Advisory Committee. Additionally, the Company will enhance our group risk management reporting, recruit and develop specialized talent, and expand our consolidated financial and operational metrics.

Based on the results of the above analysis and evaluation, the Company's Board of Directors will make further efforts to improve the functions of the Board of Directors and further enhance its effectiveness.

[Supplementary Principle 4-14(2)] Policy on Training Directors and Audit & Supervisory Board Members  
See Article 19 in the Guidelines.

[Principle 5.1 Policy on Establishing a Structure and Taking Steps to Promote Constructive Dialog with Shareholders]  
See Article 6 in the Guidelines.

[Principle 5-2, Supplementary Principle 5-2 (1)] Formulate and Announce Management Strategies and Plans  
With regard to management strategies and plans, the Company publishes its Medium-term Management Plan, business overview by field in the Business Report attached to the "Notice of the 57th Annual General Meeting of Shareholders.", and on the Company's website.

([https://ssl4.eir-parts.net/doc/8424/ir\\_material6/186350/00.pdf](https://ssl4.eir-parts.net/doc/8424/ir_material6/186350/00.pdf))

(<https://www.fgl.co.jp/eng/ir/management/pdf/management-plan2.pdf>)

([https://ssl4.eir-parts.net/doc/8424/ir\\_material6/278947/00.pdf](https://ssl4.eir-parts.net/doc/8424/ir_material6/278947/00.pdf))

< Basic policy regarding the Group's business portfolio >

In order to achieve sustainable growth, the Fuyo Lease Group will continue to invest management resources

in growth markets and maintain a balance among multiple business domains of a certain revenue scale. The management of our business portfolio is based on the "zone management approach," in which business domains are divided into four quadrants and managed to promote selection and concentration.

For more information on the "zone management approach," please refer to the Medium-term management plan.

([https://ssl4.eir-parts.net/doc/8424/ir\\_material6/186350/00.pdf](https://ssl4.eir-parts.net/doc/8424/ir_material6/186350/00.pdf))

(<https://www.fgl.co.jp/eng/ir/management/pdf/management-plan2.pdf>)

<Status of Dialogue with Shareholders>

For more information on this item, please refer to the Sustainability Site on our website.

(<https://www.fgl.co.jp/eng/sustainability/society/ir/communication.html>)

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

|                                    |                                    |
|------------------------------------|------------------------------------|
| Content of Disclosure              | Disclosure of Initiatives (Update) |
| Availability of English Disclosure | Available                          |
| Date of Disclosure Update          | 5/13/2026                          |

#### Explanation of Actions

The Company aim to enhance our corporate value over the medium to long term by consistently achieving the return on equity (ROE) which exceeds the cost of equity and by controlling the cost of equity.

To improve the ROE, the Company will focus on achieving sustainable profit growth (enhancing return on assets, ROA) through expanding our business domains and improving profitability, and optimising capital utilisation (controlling financial leverage).

For further details, please refer to our financial results briefing materials.

([https://ssl4.eir-parts.net/doc/8424/ir\\_material\\_for\\_fiscal\\_ym7/206644/00.pdf](https://ssl4.eir-parts.net/doc/8424/ir_material_for_fiscal_ym7/206644/00.pdf))

## 2. Capital Structure

|                            |                               |
|----------------------------|-------------------------------|
| Foreign Shareholding Ratio | 10% or more but less than 20% |
|----------------------------|-------------------------------|

### Status of Major Shareholders

| Name or Company Name   | Number of Shares Owned | Percentage (%) |
|--|------------------------|----------------|
| Hulic Co., Ltd.  | 12,654,600             | 13.94          |
| The Master Trust Bank of Japan, Ltd. (Trust Account)                 | 8,119,800              | 8.95           |
| Meiji Yasuda Life Insurance Company                                  | 7,667,700              | 8.45           |
| Retirement Benefit Trust managed by Mizuho Trust & Banking Co., Ltd. | 4,536,900              | 5.00           |

|  |           |      |
|--|-----------|------|
| (Marubeni Corporation account);<br>Custody Bank of Japan, Ltd. as a Trustee of Retrust |           |      |
| Custody Bank of Japan, Ltd. (Trust Account)  | 3,185,900 | 3.51 |
| Sompo Japan Insurance Inc.   | 2,726,800 | 3.00 |
| Mizuho Bank, Ltd.  | 2,723,700 | 3.00 |
| Azbil Corporation  | 2,450,000 | 2.70 |
| STATE STREET BANK AND TRUST COMPANY 505223   | 1,250,638 | 1.38 |
| Nichirei Corporation   | 1,249,800 | 1.38 |

|  |   |
|--|---|
| Name of Controlling Shareholder, if applicable<br>(excluding Parent Companies) | — |
| Name of Parent Company, if applicable  | — |

|                           |
|---------------------------|
| Supplementary Explanation |
| —                         |

### 3. Corporate Attributes

|  |  |
|--|--|
| Listed Stock Exchange and Market Segment   | Prime Market                                   |
| Fiscal Year-End  | March  |
| Business Sector  | Other Financing Business                       |
| Number of Employees (Consolidated) as of the End<br>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<br>of the Previous Fiscal Year | 50 or more but fewer than 100                  |

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

|   |
|---|
| — |
|---|

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

|   |
|---|
| — |
|---|

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

## 1. Organizational Composition and Operation

|                             |   |
|-----------------------------|---|
| Corporate Governance System | Company with Audit and Supervisory Board* |
|-----------------------------|---|

\*Referred to as "Company with *Kansayaku* Board" in the Corporate Governance Code reference translation

### Directors

|   |   |
|---|---|
| Number of Directors Stipulated in Articles of Incorporation       | 15  |
| Directors' Term of Office Stipulated in Articles of Incorporation | 1 year  |
| Chairperson of the Board  | Chairperson (excluding those concurrently serving as President) |
| Number of Directors   | 9   |
| Election of Outside Directors                                     | Elected   |
| Number of Outside Directors                                       | 4   |
| Number of Independent Directors                                   | 4   |

### Outside Directors' Relationship with the Company (1)

| Name              | Attributes           | Relationship with the Company* |   |   |   |   |   |   |   |   |   |   |
|-------------------|----------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|
|                   |                      | a                              | b | c | d | e | f | g | h | i | j | k |
| Masayuki Yamamura | From another company |                                |   |   |   |   |   |   | △ |   |   |   |
| Hiroko Matsumoto  | Academic             |                                |   |   |   |   |   |   | △ |   | ○ |   |
| Kazuya Masu       | Academic             |                                |   |   |   |   |   |   | ○ |   |   |   |
| Ryuichi Isaka     | 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 client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit and 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 client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2)

| Name              | Designation as Independent Director | Supplementary Explanation of the Relationship   | Reasons for Appointment  |
|-------------------|-------------------------------------|---|--|
| Masayuki Yamamura | ○                                   | <p>&lt;Outside Director Attributes &gt;</p> <p>Mr. Yamamura was Advisor and Senior Advisor to NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (currently NTT EAST, Inc.) during the past three years, however none of these positions correspond to being an executive of the company. Furthermore, Mr. Yamamura was Representative Director and President of the company more than three years prior, however the Company did not conduct transactions with said company during the most recent fiscal years.</p> <p>In addition, Mr. Yamamura was Chairman of The Telecommunications Association (TTA) during the past three years, however there are no transactions between said association and the Company during the most recent fiscal years.</p> <p>Furthermore, Mr. Yamamura is Outside Director of TOKYO GAS CO.,LTD., however he is not an executive of this company.</p> | <p>Mr. Yamamura has held positions including Representative Director, President of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (currently NTT EAST, Inc.) and Chairman of a general incorporated association. We Judge that the Company can utilize Mr. Yamamura's abundant experience and extensive insight, and that he can contribute to enhancing the effectiveness of the decision-making function and oversight function of the Board of Directors from a position that is independent from the Company's management.</p> <p>&lt;Reason for designation as an independent officer&gt;</p> <p>He fulfills the Tokyo Stock Exchange, Inc. requirements for independent officers and poses no risk of a conflict of interest with general shareholders.</p> |
| Hiroko Matsumoto  | ○                                   | <p>&lt;Outside Director Attributes &gt;</p> <p>Ms. Matsumoto is the administrator of Joshibi</p>  | <p>After working for Toshiba, Ms. Matsumoto has worked in school administration and education as</p>   |

|                    |   |   |   |
|--------------------|---|---|---|
|                    |   | <p>University of Art and Design, however there are no transactions between said University and the Company during the most recent fiscal years. In addition, the Company has contributed funds to the “Fuyo-Joshihi Venus Fund,” which the Company jointly established with Joshibi University of Art and Design as part of its social contribution, including supporting students and promoting the active participation of women. However, the amount of funds contributed is no more than ¥5 million per year.</p> | <p>the Administrator, Vice-President, professor and Head of Research Institute of Joshibi University of Art and Design. We Judge that the Company can utilize Ms. Matsumoto’s abundant experience and extensive insight, and that she can contribute to enhancing the effectiveness of the decision-making function and oversight function of the Board of Directors from a position that is independent from the Company’s management.</p> <p>&lt;Reason for designation as an independent officer&gt;</p> <p>She fulfills the Tokyo Stock Exchange, Inc. requirements for independent officers and poses no risk of a conflict of interest with general shareholders.</p> |
| <p>Kazuya Masu</p> | ○ | <p>&lt;Outside Director Attributes &gt;</p> <p>Mr. Masu is Director of the Global Research and Development Center for Business by Quantum-AI Technology, National Institute of Advanced Industrial Science and Technology (AIST), National Research and Development Agency, and there are no transactions between said association and the Company in the most recent fiscal years. In addition, Mr. Masu was President of Tokyo Institute of</p>   | <p>Mr. Masu has served as Professor of Tohoku University, and as Professor, then President of Tokyo Institute of Technology (currently Institute of Science Tokyo). In addition, he serves as Director of the Global Research and Development Center for Business by Quantum-AI Technology, National Institute of Advanced Industrial Science and Technology (AIST), National Research and Development Agency. We Judge that the Company can utilize Mr. Masu’s</p>   |

|               |   |  |  |
|---------------|---|--|--|
|               |   | <p>Technology (currently Institute of Science Tokyo) during the past three years. Although the Company conducts ordinary lease transactions with said association, the amount of these transactions is less than 1% of the Company's total annual consolidated revenues.</p> <p>Furthermore, Mr. Masu is a Special Advisor of the Institute of Science Tokyo, National University Corporation, however he is not an executive of this corporation.</p> | <p>abundant experience and extensive insight, and that he can contribute to enhancing the effectiveness of the decision-making function and oversight function of the Board of Directors from a position that is independent from the Company's management.</p> <p>&lt;Reason for designation as an independent officer&gt;</p> <p>He fulfills the Tokyo Stock Exchange, Inc. requirements for independent officers and poses no risk of a conflict of interest with general shareholders.</p>   |
| Ryuichi Isaka | ○ | <p>&lt;Outside Director Attributes &gt;</p> <p>Mr. Isaka was President &amp; Representative Director and Chief Executive Officer (CEO) of Seven &amp; i Holdings Co., Ltd. during the past three years, however there are no transactions between said company and the Company during the most recent fiscal years.</p>  | <p>Mr. Isaka has held the positions of Representative Director, President, and Chief Operating Officer (COO) of SEVEN-ELEVEN JAPAN CO., LTD., and Representative Director, President, and Chief Executive Officer (CEO) of Seven &amp; i Holdings Co., Ltd., and has also acquired international business experience. We Judge that the Company can utilize Mr. Isaka's abundant experience and extensive insight, and that he can contribute to enhancing the effectiveness of the decision-making function and oversight function of the Board of Directors from a position that is independent from the Company's management.</p> |

|  |  |  |   |
|--|--|--|---|
|  |  |  | <Reason for designation as an independent officer><br>He fulfills the Tokyo Stock Exchange, Inc. requirements for independent officers and poses no risk of a conflict of interest with general shareholders. |
|--|--|--|---|

|  |             |
|--|-------------|
| 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 | Inside Directors | Outside Directors | Outside Experts | Other | Chairperson     |
|--|--|-------------|-------------------|------------------|-------------------|-----------------|-------|-----------------|
| Voluntarily Established Committee Equivalent to Nomination Committee   | Nomination and Remuneration Advisory Committee | 5           | 0                 | 1                | 4                 | 0               | 0     | Inside Director |
| Voluntarily Established Committee Equivalent to Remuneration Committee | Nomination and Remuneration Advisory Committee | 5           | 0                 | 1                | 4                 | 0               | 0     | Inside Director |

Supplementary Explanation

The Nomination and Remuneration Advisory Committee was established as the discretionary nominating body of the Board of Directors to serve the dual functions of a nomination committee and remuneration advisory committee (Date established: November 5, 2015).

Nomination and Remuneration Advisory Committee members consist of directors, including all independent directors (outside directors who meet the independence standards of the Company; the same applies hereafter) and internal directors other than executive directors. A majority of committee members are independent directors. The members of this Committee are selected by approval of the Board of Directors and the Chairperson of this Committee is selected by deliberation of the Committee. In principle, this committee is convened by the chairperson, and other committee members may request the chairperson to convene a meeting, or may convene a meeting themselves. In principle, the contents of the Committee's report are based on the

unanimous consent of all Committee members present, and in cases where unanimous consent cannot be obtained, decisions are made by a majority of the Committee members. The Board of Directors is to approve and resolve the Company's management's decisions by respecting the contents of the Committee's report. Based on the above, the Company believes that the Nomination and Remuneration Advisory Committee has sufficient independence.

The committee deliberates on the following matters. The results of deliberations are reported to the Board of Directors as necessary.

- (1) Selection of Chairperson of the Nomination and Remuneration Advisory Committee
- (2) Appointment of director candidates and audit & supervisory board member candidates, or dismissal of directors and audit & supervisory board members
- (3) Remuneration for directors
- (4) Succession planning for the president and chief executive officer (president and executive officer)
- (5) Amendment or abolition of Corporate Governance Guidelines
- (6) Analysis and evaluation of effectiveness of the Board of Directors as a whole
- (7) Matters concerning advisors, etc. who assumed the post after retiring from representative director and president
- (8) Other matters referred by the Board of Directors

In FY 2025, the Committee met 4 (four) times. Of the 5 (five) committee members, 4 (four) attended all 4 (four) meetings, while 1 (one) member (an independent outside director appointed at the 56th Annual General Meeting of Shareholders held on June 24, 2025) attended 3 (three) of the 3 (three) meetings covered.

In FY 2025, the following items were mainly discussed:

- (i) Selection of candidates for Directors, etc.
- (ii) Succession planning
- (iii) Remuneration for Directors (basic remuneration and performance-linked remuneration)
- (iv) Analysis and evaluation of the effectiveness of the Board of Directors as a whole
- (v) Conclusion of special advisory contract

### Audit and Supervisory Board Member\*

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

|   |             |
|---|-------------|
| Establishment of Audit and Supervisory Board  | Established |
| Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation | 6           |
| Number of Audit and Supervisory Board Members   | 5           |

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

To ensure effective and efficient audits, audit & supervisory board members, accounting auditors, and the Internal Audit Department mutually share audit results and other information appropriately and in a timely manner through reporting meetings, exchange of opinions, and other meetings.

The readiness status of the internal control system established and operated by the Internal Control Department is monitored by the Internal Audit Department, audit & supervisory board members, and accounting auditors, who exchange information on their respective audit results and monitor the system status.

|  |           |
|--|-----------|
| Appointment of Outside Audit and Supervisory Board Members | Appointed |
| Number of Outside Audit and Supervisory Board Members      | 3         |
| Number of Independent Audit and Supervisory Board Members  | 3         |

Outside Audit and 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 |
| Erino Nemoto  | Lawyer               |                                |   |   |   |   |   |   | ▲ |   |   |   |   |   |
| Hiroshi Imoto | From another company |                                |   |   |   |   |   |   |   |   |   |   |   | ○ |
| Eimei Ookubo  | 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 and 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 client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and 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 client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
- Other

Outside Audit and Supervisory Board Members' Relationship with the Company (2)

| Name         | Designation as Independent Audit and Supervisory Board Member | Supplementary Explanation of the Relationship  | Reasons for Appointment  |
|--------------|---|--|--|
| Erino Nemoto | ○   | <p>&lt;Outside Audit &amp; Supervisory Board Member Attributes&gt;</p> <p>Ms. Nemoto was an in-house Attorney at Law at Bristol-Myers Squibb K.K. within the past three years, and the Company does not conduct transactions with said company in the most recent business year. Furthermore, Ms. Nemoto has a close relative (meaning a relative within the second degree of kinship) that was an Attorney at Law at Nishimura &amp; Asahi (Gaikokuho Kyodo Jigyō) more than three years prior. Although transactions are conducted between the Company and said office in the most recent business year, the close relative is not in charge of any projects related to the Company.</p> | <p>Having worked on a wide range of corporate legal affairs for domestic and international companies at Nagashima Ohno &amp; Tsunematsu, Ms. Nemoto gained experience as an in-house counsel at Bristol-Myers Squibb K.K., the Japanese subsidiary of a major U.S. biopharmaceutical company, and acquired particularly extensive insight into biopharmaceutical and healthcare industries. In addition, while working at the law firm, Ms. Nemoto gained experience studying abroad at Harvard Law School and conducting research as a Visiting scholar at Georgetown University Law Center in the United States, and she also gained in-depth knowledge of international legislation. The Company determined that Ms. Nemoto will utilize her expert knowledge and international experience as a legal professional in addition to her wealth of experience and extensive insight to carry out appropriate audits from an independent and objective perspective.</p> <p>&lt;Reason for designation as an independent officer&gt;</p> |

|               |   |   |   |
|---------------|---|---|---|
|               |   |   | As it meets the requirements for independent officers set by the Tokyo Stock Exchange and there is no risk of conflicts of interest with general shareholders.  |
| Hiroshi Imoto | ○ | <p>&lt;Outside Audit &amp; Supervisory Board Member Attributes&gt;</p> <p>In June 2016, Mr. Imoto retired as a full-time audit &amp; supervisory board member of Japan Bank for International Cooperation Co., Ltd.</p>   | <p>By making use of Mr. Imoto's abundant experience and high level of insight as a member of the Japan Bank for International Cooperation's International Management and Planning Division, Industry Finance Department, and Full-time Audit &amp; Supervisory Board of Member, to carry out appropriate audits from an independent and objective standpoint.</p> <p>&lt;Reason for designation as an independent officer&gt;</p> <p>As it meets the requirements for independent officers set by the Tokyo Stock Exchange and there is no risk of conflicts of interest with general shareholders.</p> |
| Eimei Ookubo  | ○ | <p>&lt;Outside Audit &amp; Supervisory Board Member Attributes&gt;</p> <p>Mr. Ookubo is a former Managing Executive Officer of Sompo Japan Insurance Inc. more than three years prior. Although the Company conducts ordinary lease transactions with Sompo Japan Insurance Inc., the amount of these transactions is less than 1% of the Company's total annual consolidated revenues in the most recent</p> | <p>Mr. Ookubo has served as Managing Executive Officer of Sompo Japan Insurance Inc. and Managing Executive Director (CFO) of a public interest foundation. The Company has determined that Mr. Ookubo will utilize his wealth of experience and extensive insight to carry out appropriate audits from an independent and objective perspective.</p>   |

|  |  |  |   |
|--|--|--|---|
|  |  | <p>fiscal years.</p> <p>In addition, Mr. Ookubo was Managing Executive Director (CFO) of Japan Automobile Recycling Promotion Center, Public Interest Incorporated Foundation during the past three years, and there are no transactions between said association and the Company in the most recent fiscal years.</p> | <p>&lt;Reason for designation as an independent officer&gt;</p> <p>As it meets the requirements for independent officers set by the Tokyo Stock Exchange and there is no risk of conflicts of interest with general shareholders.</p> |
|--|--|--|---|

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

Number of Independent Directors and Independent Audit and Supervisory Board Members

7

Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

—

### Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of Performance-linked Remuneration Scheme and other scheme of Remuneration

Supplementary Explanation for Applicable Items

By increasing the link between directors' remuneration, company performance and shareholder value, we will increase the motivation to improve performance and raise stock prices, and "ensure stable performance and growth as well as increase corporate value. In addition to the basic remuneration, we have introduced performance-linked remuneration (annual bonus) and stock remuneration (stock benefit trust (BBT=Board Benefit Trust)). For details of each remuneration, please refer to [Remuneration for Directors] " Disclosure of Policy on Determining Remuneration Amounts or Calculation Methods ".

Persons Eligible for Stock Options

—

Supplementary Explanation for Applicable Items

—

## Director Remuneration

|  |                                 |
|--|---------------------------------|
| Status of Disclosure of Individual Director's Remuneration | No Disclosure for any Directors |
|--|---------------------------------|

### Supplementary Explanation for Applicable Items

Total amount of director Remuneration in FY 2025: 339 million yen

|  |             |
|--|-------------|
| Policy on Determining Remuneration Amounts and Calculation Methods | Established |
|--|-------------|

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

The Company has determined by a resolution of the Board of Directors the method of deciding the "decision policy regarding the content of individual remuneration of directors". When determining individual remuneration for directors, the basic policy is to set the level at an appropriate level based on individual responsibilities. In addition to basic remuneration paid as fixed remuneration, performance-linked remuneration and stock remuneration are introduced as variable remuneration. Regarding the ratio of each remuneration, the ratio of variable remuneration to basic remuneration 1 is set to 0.7 based on the average ratio of listed companies. The breakdown of variable Remuneration is that the ratio of performance-linked Remuneration to stock Remuneration is 5: 7, and the ratio of medium- to long-term incentives is increasing.

The basic remuneration is within the range of the remuneration limit approved at the general meeting of shareholders, and the basic remuneration for each individual according to the position is based on the general level of employee remuneration and executive remuneration of the Company and the business condition of the company. The appropriateness and appropriateness of determining the amount is decided by a resolution of the Board of Directors after deliberation and report by the Nomination and Remuneration Advisory Committee. The basic remuneration may be temporarily reduced by a resolution of the Board of Directors after deliberation and report by the Nomination and Remuneration Advisory Committee depending on the company's business performance and other reasons.

Performance-linked remuneration shall be based on 26% to 35% of the annual amount of basic remuneration, depending on the position, within the range of remuneration approved at the general meeting of shareholders, and shall be in accordance with the executive performance-linked remuneration rules separately established by the Company. The amount to be paid is determined by a resolution of the Board of Directors after deliberation and reporting by the Nomination and Remuneration Advisory Committee within the range of 0 to 200% of the standard amount, depending on the consolidated performance of the company in the fiscal year preceding the payment date, the degree of contribution of each person to the company performance, the status of efforts to address medium- to long-term management issues, etc.

It consists of two parts: a part linked to applicable indicators such as the company's consolidated business performance (hereinafter referred to as "applied index linked portion") and a part reflecting the individual evaluation of each director (hereinafter referred to as "individual evaluation portion"). The composition ratio is determined for each position. The "applied index-linked portion" is calculated from financial metrics like balance of operating assets, consolidated ordinary profit, consolidated ROA etc. The "individual evaluation portion" is determined by the president based on the performance and qualitative evaluation of the section of business the director is in charge of.

Performance-linked remuneration may be reduced or not paid if the director inflicts great material loss to the company or if the director is on long-term leave due to illness treatment.

The performance indicators that form the basis for calculating the amount of performance-linked remuneration are divided and set into financial items, which are important performance evaluation indicators, and non-financial items of environment and human capital investment, in order to achieve the medium-term management plan "Fuyo Shared Value 2026". The financial items are consolidated ordinary profit, consolidated ROA, consolidated shareholder's equity ratio and consolidated ROE. Non-financial items are the amount invested in the promotion of decarbonization (non-consolidated) and human resources development-related expenses (non-consolidated).

[Calculation method of performance-linked remuneration]

Performance-linked remuneration amount = payment standard amount for each position x performance-linked payment coefficient (\*)

(\*...Consolidated ordinary profit," "consolidated ROA," and "consolidated shareholder's equity ratio" are calculated by combining the percentage of achievement against the planned value and the ratio against the same period of the previous fiscal year. Consolidated ROE" is 100% when achieved, and when not achieved, it is calculated as the ratio of the actual value to the target value. Non-financial items are calculated based on the percentage of achievement compared to the planned value. For directors under the Senior Managing Director, the performance of the business under their jurisdiction and qualitative evaluation are taken into consideration, and the individual evaluation decided by the president is also reflected.)

For stock Remuneration, we have introduced a "stock benefit trust (BBT (= Board Benefit Trust))", which is based on the directors' stock benefit regulations resolved by the Board of Directors within the Remuneration limit approved at the general meeting of shareholders. If a director retires after satisfying the eligibility requirements, they will acquire the right to receive benefits of the Company's shares acquired by the Trust according to their position and term of office on the date of resignation. The number of points (1 point = 1 share of the Company's common stock) that will be used as the basis for the delivery of shares, etc. shall be the total number of service points granted to the eligible directors by the time of their retirement from office, in principle, on each date of the General Meeting of Shareholders. (The maximum number of points per fiscal year has been adjusted due to a 3-for-1 stock split on the Company's common stock on April 1, 2025.) If it is resolved for a director is to be dismissed at a general meeting of the shareholder, or if a director retires during tenor because of certain misconduct, or if there is any inappropriate behavior that might damage the company during tenor, the director will not have the right to receive benefits.

Internal directors who do not execute business operations are paid stock remuneration as fixed and variable remuneration, and directors who chair the Board of Directors are paid a chairperson's allowance as fixed remuneration in addition to base remuneration. For outside directors and outside Audit & Supervisory Board Members who are supervisors, performance-linked remuneration and stock remuneration are not suitable, so only fixed remuneration is provided.

Regarding the amount of individual remuneration for the directors of the Company, Hiroaki Oda, Director and CEO, who supervises and controls the business activities of each department as the chief executive officer and evaluates the directors in charge of each department, who based on the resolution of the Board of Directors, is entrusted with the determination of the amount of performance-linked remuneration to be paid to directors and the specific details regarding the timing of payment. After deliberation and report by the Nomination and Remuneration Advisory Committee, the appropriateness of the evaluation method of performance-linked remuneration and the appropriateness of the calculated remuneration amount should be examined and reported so that the authority can be exercised appropriately; the Director and CEO decides the amount and timing of performance-linked remuneration to be paid to each director.

### **Support System for Outside Directors (and/or Outside Audit and Supervisory Board Members)**

Outside Officers (referring to Outside Directors and Outside Audit & Supervisory Board Members. The same implies hereinafter.) have 3 persons belong to Board of Directors Operations Office in charge and the secretariat and various communications for the in advance explanation for Board of Director agenda items are held with outside officers.

The Company provides outside officers with advance delivery of proposals for meetings of the Board of Directors and Audit & Supervisory Board, implementation of advance explanations of proposals attached to the Board of Directors, provision of materials and minutes for management meetings, and organize site visits, and provision of opportunities to attend external seminars.

## 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/<br>position | Responsibilities   | Terms and Conditions of<br>Employment<br>(Full/part time, with/without<br>remuneration, etc.) | Date when former<br>role as president/<br>CEO ended | Term                  |
|--------------|------------------------|--|---|---|-----------------------|
| Takashi Sato | Special<br>Advisor     | Advice as requested<br>by management<br><br>Maintenance of<br>relationships with<br>customers and<br>business partners | Part-time, compensated  | March 31, 2016                                      | One-year<br>renewable |

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.)

1

After Retiring as Representative Director and President, etc.

### Other Related Matters

The Company may permit the use of the title of "Special Advisor" as an honorary title for those who have retired as President and Representative Director (for life, without remuneration in principle).

The Special Advisor does not attend meetings of the Company's Board of Directors, the Executive Committee meetings or other internal meetings, and does not have the authority to make management decisions for the Company. When specific duties are delegated to the Special Advisor, an advisory contract is concluded and a fixed fee is paid in accordance with his/her role. Specific expected roles and the conclusion of advisory contracts, etc. are determined by the President after deliberation (including reports on the status of activities at the time of renewal) by the Nomination and Remuneration Advisory Committee, of which the majority is composed of independent outside directors. The Special Advisors with whom the Company has concluded advisory contracts at present are as shown in the table above.

Renewal of advisory contracts with special advisors to whom specific duties are delegated shall, in principle, be limited to six years, including the first year of conclusion.

In order to clarify the above details, the Company has established internal regulations pertaining to the advisory system after deliberation by the Nomination and Remuneration Advisory Committee (date of establishment and enforcement: February 15, 2023).

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

The content of the management structure for executing the Company's business, supervision and oversight, and other organizational aspects of corporate governance are described below. Also see the Guidelines for further information concerning Points A, B and C. In regard to the nomination of officers, see "Committee's Name, Composition, and Designated Status of Chairperson" in Section II-1. For officer remuneration, also see [Director Remuneration] in Section II-1.

### A. Board of Directors

The Board of Directors consists of 9(nine) directors. It deliberates on and decides important matters concerning management and matters specified in laws and regulations, the Company's Articles of Incorporation, and the Board of Directors Regulations. In the composition of the Board of Directors, internal directors other than the executive directors are to be selected, and the chairperson of the Board of Directors is, in principle, to be selected from among the directors other than the executive directors.

4(four) independent directors are appointed to increase the objectivity and transparency and strengthen the oversight function of Board of Directors. The Board of Directors has established the Board of Directors Operations Office as a secretariat under the direct control of the Board of Directors.

The Board of Directors met 12 times in FY 2025. The attendance record of each officer during FY 2025 is shown below.

#### Directors

Yasunori Tsujita, Hiroaki Oda, Keiji Takada, Yusuke Kishida, Hiroshi Takahashi attended 12 meetings.

Hideo Ichikawa, Masayuki Yamamura, attended 11 meetings.

Hiroko Matsumoto attended 10 meetings.

Kazuya Masu attended 10 meetings. (He was elected at the 56th Annual General Meeting of Shareholders held on June 24 2025.)

Ryuichi Isaka was elected at the 57th Annual General Meeting of Shareholders held on June 23 2026.

#### Audit & Supervisory Board Members

Masato Morikawa, Hiroshi Imoto attended 12 meetings.

Tomohiko Okazaki, Eimei Ookubo attended 10 meetings. (They were elected at the 56th Annual General Meeting of Shareholders held on June 24 2025.)

Erino Nemoto was elected at the 57th Annual General Meeting of Shareholders held on June 23 2026.

In FY 2025, the following items were mainly resolved and reported.

- (1) Fiscal year management plan and the medium-term management plan
- (2) Status of risk management, compliance program plan
- (3) Policy and updates related to sustainability and CSV ((non-financial targets, contribution to reduction of CO2 emissions), improving engagement figures) and drafting the Integrated Report
- (4) Status of internal audits
- (5) Individual transactions (investments, establishment of maximum credit limits for business partners, etc.)
- (6) Matters stipulated in the Companies Act, Financial Instruments and Exchange Act, Japan's Corporate Governance Code of the Tokyo Stock Exchange etc., including the status of operation of internal control systems, Annual Securities Report, verification of the significance of policy shareholdings, and the status of dialogue with shareholders.

#### B. Nomination and Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee was established as a discretionary committee of the Board of Directors.

For details, please refer to the item "Establishment of committees, composition of members, and attributes of the Chairperson.

#### C. Audit & Supervisory Board

Our Audit & Supervisory Board consists of 5 auditors, including 3 full-time members and 2 part-time audit & supervisory board members who are also independent audit & supervisory board members. According to the audit plan formulated by the Audit & Supervisory Board, each audit & supervisory board member audits execution of operations by directors by attending important meetings, reviewing important documents,

examining operations and assets, and reviewing the audit findings of the independent accounting auditor and the Internal Audit Department among other relevant activities.

The audit policy for FY 2025 states that, in accordance with the Code of Audit & Supervisory Board Member Auditing Standards, the Audit & Supervisory Board is an independent body which has received the mandate for its responsibilities from shareholders. Audit & supervisory board members perform audits from the following main perspectives to ensure healthy, sustainable growth of the Company and work to establish a strong corporate governance system that can earn the trust of society. In addition, the Company has established Audit & Supervisory Board Operations Office and assigned personnel to assist audit & supervisory board member (audit & supervisory board member assistant employee).

The Audit & Supervisory Board met 13 times during FY 2025 and specific items for consideration, including major resolutions and matters to be discussed, are as follows.

<Matters to be resolved>: Audit policy, plan, assignment of duties, consent to the proposal for the appointment of audit & supervisory board members, reappointment of accounting auditors, consent to the remuneration of accounting auditors.

<Matters to be reported>: Reporting on the status of the operation of internal control systems, evaluation of internal control reports on financial reporting, results of visits by full-time audit & supervisory board members to domestic and overseas offices and group companies.

<Matters to be deliberated and discussed>: Appropriateness of accounting auditors, prior consent to non-assurance services by accounting auditors, draft audit report by the Audit & Supervisory Board.

#### D. Executive Committee

The Executive Committee is composed of Executive Officers with positions of managing executive officer or higher, the heads of the Corporate Planning Division, Human Resources Division, and Business Planning & Promotion Division as well as the presidents of major subsidiaries. Full-time audit & supervisory board members also attend meetings of the Committee on a regular basis. As a general rule, the Executive Committee meets at least once a month to make decisions on operating activities and implementation of measures delegated by the president, and to discuss important issues concerning internal controls. Its aim is to improve the quality of management decisions and to speed up decision-making. The Executive Committee met 21 times during FY 2025.

#### E. Compliance Committee

The officer in charge of compliance serves as the chairperson of the Compliance Committee and the officer in charge of Group Legal and Compliance serves as vice chairperson. Full-time members include the head of the relevant corporate divisions (planning and administrative management work), the representative directors and others from domestic subsidiaries, the general managers of the supervising divisions of overseas subsidiaries, and outside lawyers are outside committee members. Additionally, acting as an observer, full-time audit & supervisory board members and presidents of domestic subsidiaries participate in the committee. The Legal & Compliance Division serves as the administrative office for the Compliance Committee. Compliance

Committee meetings are held once a quarter, and matters relating to establishment of a compliance structure and furtherance of annual compliance plans are debated and discussed. The matters debated and discussed at the committee meetings are reported and presented to the Board of Directors and the Executive Committee, which take steps to establish and strengthen the compliance structure.

#### F. CSV Promotion Committee

The Company has established the CSV Promotion Committee, which is chaired by the executive officer in charge of planning and administration, and its members consist of the general managers of major Corporate Department and Business Department (product and function provision). The CSV Promotion Committee in principle meets semiannually to discuss and report on the formulation and revision of materiality plans, the formulation and revision of plans for issues equivalent to materiality, and other important matters related to the promotion of CSV matters deliberated by the Committee are decided by the Executive Committee, and important matters are reported to the Board of Directors at least once a year.

#### G. Internal Audits

The internal audit function is administered by the Group Internal Audit Division (staffed by 10 employees). The Group Internal Audit Division conducts operational audits of all departments, offices, branch offices, and major subsidiaries, and plays a part in ensuring that internal controls are functioning in addition to examining their effectiveness. The audit policy for fiscal 2026 is as follows.

(1) The Company will reassess and update our risk profile by maintaining continuous monitoring and hosting collaborative risk dialogues with senior management and department heads. Adopting a risk-based methodology allows us to conduct agile audits that quickly adapt to changes in our operating environment. Through this approach, we will thoroughly verify the effectiveness and compliance of internal controls across our broader control framework and daily business processes.

(2) Improve the function of evaluating the effectiveness of internal control on a group basis through close cooperation with the internal audit departments of each group company.

(3) To promote audits that contribute to management by expanding and strengthening the internal audit function and improving audit quality, thereby contributing to the preservation, enhancement and creation of corporate value on a group basis.

The results of these operational audits are reported directly to the President and Audit & Supervisory Board Members on a case-by-case basis by the General Manager of the Group Internal Audit Division and are also reported regularly and directly at meetings of the Board of Directors, Audit & Supervisory Board, and Executive Committee twice a year.

#### H. Accounting Audits

The Company's consolidated and unconsolidated financial statements are audited by Ernst & Young ShinNihon LLC, based on Article 193, Paragraph 2-1 of the Financial Instruments and Exchange Act. There are no conflicts of interest between the Company and audit firm or the employees of the audit firm performing the

audit that are notable pursuant to the Certified Public Accountants Act. The names of the certified public accountants (CPAs) who performed the accounting audit on our Company are listed below.

Names of CPAs and Name of the Firm They are Affiliated With

| <Name & Title of CPA>             | <Name of Firm Affiliated With> |
|-----------------------------------|--------------------------------|
| Yuji Ozawa, Managing Partner      | Ernst & Young ShinNihon LLC    |
| Hiroshi Nishida, Managing Partner | Ernst & Young ShinNihon LLC    |
| Toru Nakagiri, Managing Partner   | Ernst & Young ShinNihon LLC    |

\*All personnel had seven years or less of continuous auditing experience.

\*The audit firm has voluntarily taken steps to ensure that accounting audits of our Company will not be performed by the same managing partners for more than a certain time period.

\*Audit support staff included 13 CPAs and 28 assistant accountants and other staff.

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

The Company has adopted the corporate form of a company with an Audit & Supervisory Board. By establishing and operating the following systems, the Company is working to ensure that corporate governance functions effectively and enhances corporate value over the medium to long term.

Audit & supervisory board members work closely with the Internal Audit Division and the Internal Control Department on audits. The Company also appoints outside auditors to ensure independence and a sufficient corporate governance function. Furthermore, in order to improve the objectivity, transparency, and supervisory function of the Board of Directors, the Company has established the following. The Company also appoints multiple outside directors whose independence is demonstrated. These outside directors provide oversight and advice on the execution of business from an external perspective to improve the oversight function of the Board of Directors. The Nomination and Remuneration Advisory Committee, which is comprised of a majority of outside directors has also been established to ensure a highly transparent system of management and eliminate arbitrariness. The Internal Audit Division reports the results of internal audits to the President and CEO and directly to the Board of Directors.

The Company has introduced an executive officer system to speed up decision-making and improve management efficiency by separating the management supervisory function and the executive function.

### III. Implementation of Measures for Shareholders and Other Stakeholders

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

|   | Supplementary Explanation   |
|---|---|
| Early Posting of Notice of the General Meeting of Shareholders  | The Notice of the 57th Annual General Meeting of Shareholders was sent out on June 2, 2026, six days prior to the legally mandated deadline (21 days prior to the meeting date).  |
| Scheduling of the General Meeting of Shareholders on a Non-Peak Day   | The 57th Annual General Meeting of Shareholders was held on June 23, 2026.  |
| Electronic Exercise of Voting Rights  | The Company has permitted the exercise of voting rights via the Internet since the 37th Annual General Meeting of Shareholders held on June 27, 2006.   |
| Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights | The Company has participated in a platform for the exercise of voting rights since the 42nd Annual General Meeting of Shareholders.   |
| Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English  | Since the 49th Annual General Meeting of Shareholders, the Company has posted the convocation notice (partial excerpt) in English on the Company website on the date on which providing information in electronic format is launched, and makes it available for viewing on the Internet via the TDnet Company Announcements Service operated by Tokyo Stock Exchange, Inc.   |
| Other   | After it has been approved by the Board of Directors, the convocation notice was posted on the Company website before it was sent out on May 26, 2026 and was also made available for viewing on the Internet via the TDnet Company Announcements Service operated by Tokyo Stock Exchange, Inc. To enable shareholders to view the General Meeting of Shareholders since the 53 Meeting, it will be livestreamed via the Internet. |

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

|  | Supplementary Explanation  | Explanation by a representative director or a representative executive officer |
|--|--|--|
| Formulation and Publication of Disclosure Policies                       | The Company formulated a Disclosure Policy in March 2010. It is posted on the Company website.   |  |
| Regular Investor Briefings held for Analysts and Institutional Investors | The Company holds financial results briefings for analysts and institutional investors after summary financial results are announced for the second quarter and the full year. | Held   |
| Online Disclosure of IR Information                                      | The Company posts summary financial statements, an overview of financial results, financial results presentation materials, the securities report, the Integrated Report, news |  |

|   |  |
|---|--|
|   | releases, other IR information on the Company website.                                 |
| Establishment of Department and/or Placement of a Manager in Charge of IR | Division in charge of IR: Corporate Communications Office, Corporate Planning Division |

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

|  | Supplementary Explanation  |
|--|--|
| Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders | The Company's basic stance toward each stakeholder is set forth in the "Basic Policy on the Systems to Support Sustainable Value Creation," "Corporate Governance Guidelines," and other regulations.  |
| Implementation of Environmental Preservation Activities and CSR Activities, etc.     | <p>As a member of society, the Company carries out CSR activities that fulfill our responsibilities, not only from an economic perspective, but also in a wide variety of areas from the environmental and social perspectives.</p> <p>On the environmental front, the Company has built an environmental management system together with 17 of our main domestic subsidiaries. The Company also pursue environmental activities through our business, from energy savings and resource conservation in our own group companies, to the ESCO service, energy and environment field leasing and finance that contributes to energy savings for customers, and re-marketing (used asset buy-back service) that contributes to resource conservation, among other activities. Particularly in regards to the climate change issue, the Company also entered the solar power generation business through a subsidiary in 2012. Recently, we are supplying renewable energy through renewable energy power plants business domestically and internationally. In 2018, the company joined the "RE100", which aims to convert electricity consumed by each company group into 100% renewable energy by 2030. In 2021, the company declared that it will accelerate the date for achieving this goal from 2050 to 2030, while also becoming carbon neutral at the same time.</p> <p>As an initiative to support the introduction of renewable energy and energy-saving equipment to customers, the Company started the "Fuyo Renewable Energy 100 Declaration Support. Program" in 2019 and the "Fuyo Zero Carbon City Support Program" in 2020.</p> <p>The Company released the “ Fuyo Circular Economy Lease” in 2023, and launched to provide our services which contribute to the realizing a recycling oriented society.</p> <p>On the social side, the Company is engaged in activities that contribute to medical welfare and a super-aging society by improving the efficiency of corporate management by strengthening BPO efforts, solving labor shortages, contributing to work style reforms, and leasing buildings such as paid nursing</p> |

|  |  |
|--|--|
|  | <p>homes for the elderly.</p> <p>Regarding the current status of activities, we will publish them in Integrated Report and there is more detail in the Sustainability section of the Company website:<br/> <a href="https://www.fgl.co.jp/eng/sustainability/">(https://www.fgl.co.jp/eng/sustainability/)</a></p>   |
| <p>Formulation of Policies, etc. on Provision of Information to Stakeholders</p> | <p>The Fuyo Lease Group's Basic Compliance Policy stipulates that the Company will enhance management transparency by disclosing information in a fair, timely, and appropriate manner.</p>  |
| <p>Other</p>   | <p>The Company regards the advancement of women's activities to be an important management issue, and we are promoting the stable and systematic hiring of women as new graduates and the promotion of women to management positions with the aim of further expanding the scope of women's activities. In addition to holding group-wide roundtable discussions with senior employees to provide opportunities for exposure to diverse careers and role models, we are conducting counseling sessions to help employees balance work and childcare. The percentage of female workers in management positions has reached 33.0%, and the company has acquired the "Platinum Eruboshi" certification, which recognizes companies with particularly excellent implementation status in promoting women's activities.</p> <p>Additionally, since FY 2023, we have been supporting each employee's individual career and skill development through career consulting by two qualified internal and external individuals available to all employees on a voluntary basis-and ongoing, periodic interviews with female employees. We promote realization of office environment that we can continue to work for long term through harmonizing of work and life.</p> <p>We are working on gender-neutral “seminars on balancing childcare and work” and promoting male employees to take childcare leave. The male childcare leave utilization rate is 100%, and we have been certified as a “Platinum Kurumin” company by the Minister of Health, Labor and Welfare as an excellent company that supports raising children.</p> <p>The achievements against the numerical targets of our General Business Action Plan (plan period from April 1, 2022 to March 31, 2027) based on The Act on the Promotion of Women's Participation and Advancement in the Workplace formulated in April 2022 are as follows:</p> <ul style="list-style-type: none"> <li>• Percentage of female employees hired (Employees joining in April 2026): 44.4% (Target: 40%)</li> <li>• Percentage of women in managerial positions: 33.0% (Target: 35%)</li> <li>• Rate of taken annual paid leave: 92.3% (Target: 90%)</li> <li>• Rate of taken male childcare leave: 121.4% (Target: 100%)</li> </ul> |

With the aim of realizing a workplace where each and every diverse employee can maximize their abilities and feel fulfilled in their work, we are fostering a foundation for diversity and inclusion through e-learning training on themes such as LGBTQ+ and different ways of responding to coming out, conducted jointly by the group. As a result of these efforts, the Company was certified as “Silver” in the “PRIDE Index 2025,” an evaluation index for sexual minority initiatives in the workplace established by the voluntary organization "work with Pride".

Please refer to the Annual Securities Report for the fiscal year ended March 31, 2026 for the difference in wages between men and women in our Group.

([https://ssl4.eir-parts.net/doc/8424/yuho\\_pdf/S100YF6A/00.pdf](https://ssl4.eir-parts.net/doc/8424/yuho_pdf/S100YF6A/00.pdf))

## IV. Matters Concerning the Internal Control System

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

Below is a summary of the Company’s decisions concerning a system to ensure that the execution of duties by directors complies with laws and regulations and the Company’s Articles of Incorporation, and other systems to ensure proper conduct of Company business.

#### 1) System to Ensure that the Execution of Duties by Directors, Executive Officers, and Employees Complies with Laws and Regulations and the Company’s Articles of Incorporation

The Company regards compliance as one of the most important management issues and has established the Fuyo Lease Group Compliance Basic Policy as a basis for action that all executives and employees of the Fuyo Lease Group must observe in order to comply with laws, regulations, and rules and to carry out sincere and fair corporate activities that are not inconsistent with social norms. The Basic Policy on Systems to Support Sustainable Value Creation, Corporate Governance Guidelines, Fuyo Lease Group Basic Compliance Policy, Fuyo Lease Group Human Rights Policy and Fuyo Lease Group Environmental Policy and Basic Policy for Establishing the Internal Control System are collectively positioned as the Fuyo Lease Group Code of Corporate Conduct.

The Company has produced rules, procedures, and manuals based on the Fuyo Lease Group Code of Corporate Conduct, and has established a compliance system through employee education and training. We have also established of a robust internal whistleblowing system, and other measures. We maintain a structure to ensure that directors, executive officers, and employees comply with laws and regulations and the Company’s Articles of Incorporation in executing their duties. This is accomplished through oversight by the Board of Directors and Audit & Supervisory Board, audits by audit & supervisory board members, the accounting auditor, and the Company’s Group Internal Audit Division.

## 2) System for Retention and Management of Information Concerning the Execution of Duties by Directors

The Company produces Board of Directors meeting minutes, Executive Committee meeting minutes, and written ringi proposals based on the Articles of Incorporation, the Executive Committee Regulations, and the Ringi Proposal Regulations. A system for retention and management of information concerning the execution of duties by directors has been established and this system is maintained by retaining documentation for the specified period of time.

## 3) Loss Risk Management Regulations and Other Systems

In the Risk Management Regulations, the Company has segmented risks that should be managed into credit risk, market risk, liquidity risk, administrative risk, system risk, legal risk, human risk, reputational risk, and other types of risk. We manage these risks according to the specific nature and importance of each risk, by the systems and methods specified in our basic policy on management of each risk.

We have also formulated other regulations such as Emergency Preparedness Regulations to prepare for the occurrence of emergencies and disasters and Confidential Information Management Regulations concerning the management of information, and have established regulations concerning the management of loss risk and other systems. We act to strengthen the risk management system on an ongoing basis to respond to various risks that arise along with changes in the management environment in an appropriate and timely manner.

## 4) System to Ensure the Efficient Execution of Duties by Directors

The Company has established a system to ensure the efficient execution of duties by directors by clarification of the division of duties through the executive officer system, through the delegation of duties and authority based on the regulations on responsibilities and authorities, and by planning and management and budget control based on the Medium-term Management Plan. We will improve the PDCA cycle through budget controls and other means, and maintain an efficient system and work to improve efficiency in the future as well.

## 5) System to Ensure Appropriate Business Conduct by the Corporate Group, Consisting of the Company and its Subsidiaries

The Corporate Group, which consists of the Company and its subsidiaries (hereafter, "Corporate Group"), share the Fuyo Lease Group Code of Corporate Conduct in common, and the entire Group is managed in light of the specific characteristics of the business of each company.

The Company seconds directors to all subsidiaries and implements management and controls such as requiring approval or reporting on the conduct of business and management status of subsidiaries based on the Management Regulations for Affiliates. By doing so, we maintain a structure that ensures the proper conduct of business in the Corporate Group.

Our basic policy is that each subsidiary establishes its own internal controls, and the Group Internal Audit Division of the Company performs regular audits of the operations of the main subsidiaries. We also strive for improvement by providing the necessary support and guidance on compliance, risk management, and

improving efficiency, depending on the nature of each subsidiary's business.

#### 6) System to Ensure Reliability of Financial Reporting in the Corporate Group

The Corporate Group implements appropriate internal controls at the Group-wide level and at the operating process level to ensure the reliability of financial reporting or, in other words, to ensure the reliability of the financial statements and information that could have a material impact on the financial statements. If any deficiency is discovered in the internal controls, improvements are implemented as needed, and we maintain the system in a manner that ensures the reliability of financial reporting.

#### 7) System for the Support Personnel When an Audit & Supervisory Board Member Requests Personnel to Assist with Duties

The Company has established Audit & Supervisory Board Operations Office and assigned personnel to assist audit & supervisory board member (hereafter, "audit & supervisory board member assistant employee").

#### 8) Ensuring Independence of Personnel in the Preceding Paragraph from Directors and Effectiveness of Audit & Supervisory Board Member Instructions

To ensure the independence of audit & supervisory board member assistant employee from directors and the effectiveness of work instruction issued by audit & supervisory board members, the Company has directed that audit & supervisory board member assistant employee report directly to and perform work for an audit & supervisory board member. Audit & supervisory board member assistant employee shall not accept orders or instructions from a director. Furthermore, any personnel transfer, personnel evaluation, or discipline for audit & supervisory board member assistant employee is decided and implemented after first consulting the Audit & Supervisory Board.

#### 9) System for Reporting to Company Audit & Supervisory Board Members

(1) System for Company directors, executive officers, and employees to report to the Audit & Supervisory Board or audit & supervisory board members, and other systems for reporting to audit & supervisory board members

Company directors, executive officers, and employees report to the Audit & Supervisory Board or audit & supervisory board members 1) when they discover facts that could have a serious adverse effect on the Company, 2) when a director, executive officer, or employee has committed a violation of laws and regulations or the Articles of Incorporation, or is thought to pose the risk of committing such violations, or 3) other matters specified in laws and regulations or requested by the Audit & Supervisory Board or audit & supervisory board members.

(2) System for the directors, audit & supervisory board members, executive officers, and employees of subsidiaries to report to the Company's audit & supervisory board members

The directors, audit & supervisory board members, executive officers, and employees of subsidiaries will

promptly report to a Company audit & supervisor board member when the audit & supervisor board member has requested a report as necessary for performing his or her duties.

Company audit & supervisory board members will regularly convene Group audit & supervisory committee meetings, consisting of the audit & supervisory board members and others from the Company and its subsidiaries to receive reports on audit results and share information.

Moreover, we have added Company audit & supervisory board members as contacts for reporting in the Group internal whistleblowing system, and have established an information route to ensure that reports are appropriately reported to audit & supervisory board members even when a whistleblower reports to another contact.

#### 10) System to Ensure that Whistleblowers in the Preceding Paragraph are not Retaliated Against for a Whistleblowing Report

The Company will not retaliate against a director, audit & supervisory board member, executive officer, or employee of the Company or one of its subsidiaries because they have reported as mentioned in the preceding paragraph. Moreover, the Regulations on Internal Whistleblowing clearly specify protection of the whistleblower or reporter who reports to an audit & supervisory board member.

#### 11) Policy on Handling of Expenses or Obligations Audit & Supervisory Board Members Incur in the Execution of Duties

When an audit & supervisory board member so requests, the Company will promptly pay expenses and other obligations for the performance of duties in advance, or make other arrangements.

#### 12) Other Systems to Ensure the Effectiveness of Audits Performed by Audit & Supervisory Board Members

The Company maintains a system to ensure that audits by audit & supervisory board members are performed effectively by providing an environment that enables audit & supervisory board members to ascertain the status of the execution of business in the Company at all times through attendance at Board of Directors and Executive Committee meetings and other meetings, participating in regular discussions with management, circulation of important ringi proposals, reports on the results of administrative audits by the Group Internal Audit Division, and other means. The Company implements improvements to this system as needed.

#### 13) System for Prohibition of Relationships with Antisocial Forces

In the Fuyo Lease Group Basic Compliance Policy, the Company states that it prohibits all relationships with antisocial forces that could threaten the order or safety of civil society. The Company also responds in a systematic manner to prohibit relationships with antisocial forces by formulating compliance regulations and a response manual, providing education and training to employees, partnering with law enforcement, and taking other steps.

The Company will continue to maintain a system for prohibiting relationships with antisocial forces and will work to mount a comprehensive response in the future.

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

The Company's basic views on elimination of antisocial forces and the state of preparedness are detailed below.

### 1) Basic Views on Elimination of Antisocial Forces

The Company prohibits all relationships with antisocial forces that could threaten the order or safety of civil society, and does not provide any products or services to antisocial forces. We perform appropriate screening in advance, prevent the execution of transactions at the outset, and take immediate action to cancel transactions in the event that a counterparty is revealed to be an antisocial force after the fact.

### 2) State of Preparedness for Eliminating Antisocial Forces

(1) The Company has formulated compliance rules and standards (on relationships with antisocial forces), and has also produced an Antisocial Force Response Manual, which contains guidelines for responding to prohibit relationships with antisocial forces. We work to make sure that all officers and employees are aware of these by providing education and training.

(2) The Company has appointed a division to be in charge of prohibiting relationships with antisocial forces and an administrator to prevent improper requests. We have established an internal communication structure, and a system for partnering with law enforcement, Anti-Organized Crime Campaign Center of Tokyo, law firms, and other external institutions, and we mount a systematic response.

## V. Other

### 1. Adoption of Anti-Takeover Measures

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

### 2. Other Matters Concerning the Corporate Governance System

The Company endeavors to disclose information in a timely and appropriate and fair manner, in accordance with the Financial Instruments and Exchange Act and with Tokyo Stock Exchange rules for timely disclosure. We disclose information on important decisions, emergent events, information concerning financial statements, or other information could affect investment decisions, or when there has been a material change in important Company information that has already been disclosed.

To achieve this, the Company has specified procedures for handling important information concerning timely disclosure, etc. to comprehend the information that must be disclosed in a timely manner. We work to make sure that everyone in the Company is aware of the internal procedures and we manage Company information

appropriately, in accordance with the Insider Trading Management Regulations, Immediate Reporting Regulations, and Confidential Information Management Regulations.

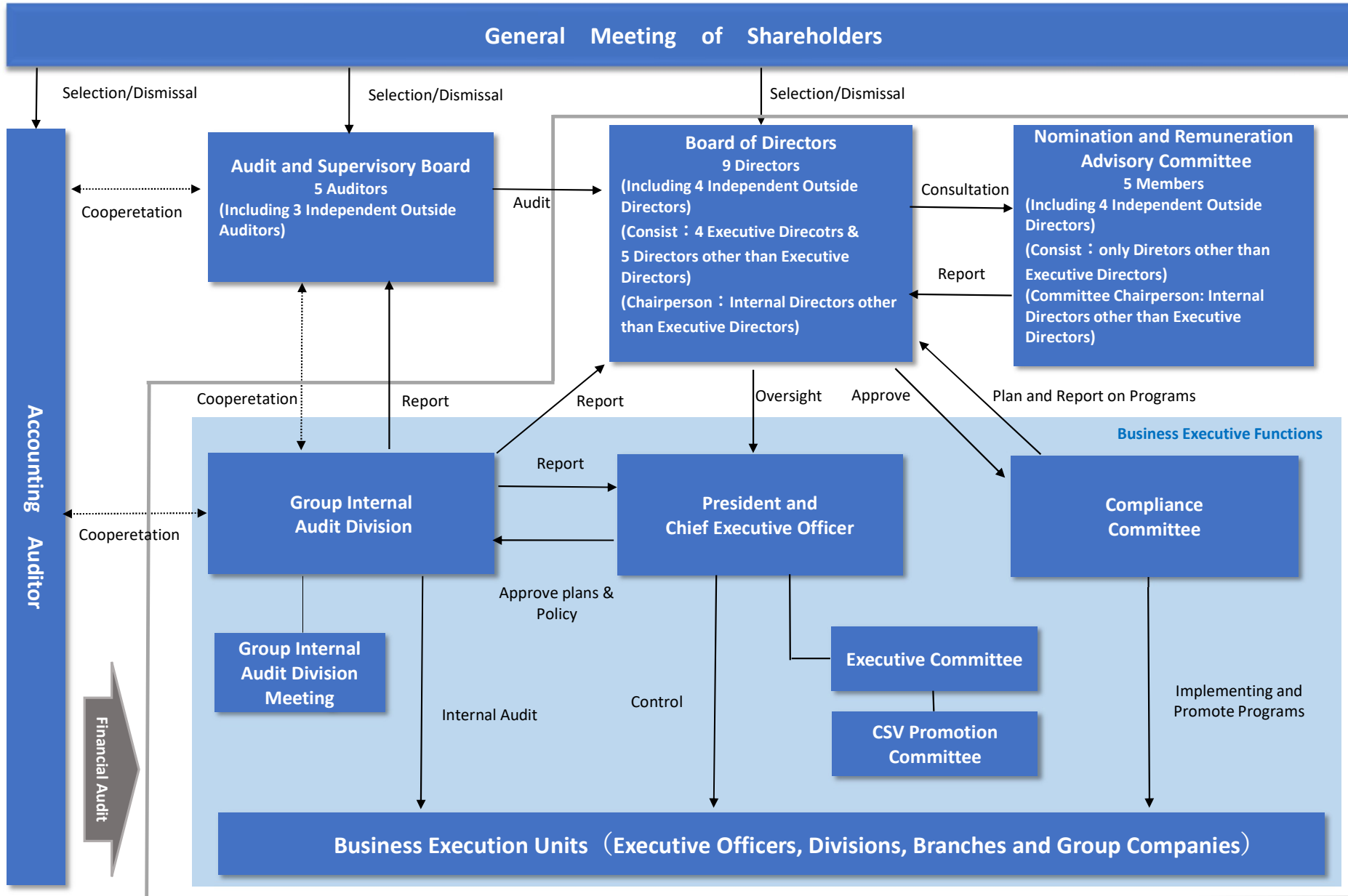
For information on important decisions, emergent events, information concerning financial statements, or other information could affect investment decisions in the Company, the division collecting the information and the division in charge of information disclosure determine whether the information needs to be disclosed and consider timely disclosure and the method of disclosure, based on the Financial Instruments and Exchange Act and various other relevant laws and regulations, as well as the timely disclosure rules of Tokyo Stock Exchange, Inc. The decision to disclose is made by the Board of Directors or by the Chief Information Management Officer, and is then promptly disclosed. We also receive timely advice and guidance from the Audit & Supervisory Board, and seek advice from the accounting auditor when necessary.

The Company registers information that must be disclosed in a timely manner on TDnet (Timely Disclosure Network) operated by Tokyo Stock Exchange, Inc., and then responds to inquiries from the exchange or provides an explanation in advance. The exchange then processes the disclosure and once it has been disclosed at the specified time, the information registered for disclosure is transmitted to numerous mass media organizations. It is also simultaneously posted on the Company Announcements Disclosure Service and provided for general viewing. The information disclosed is also posted on the Company website after disclosure.

END

[Reference Material]

1. Diagram of Corporate Governance System



## 2. Skills Matrix for the Board of Directors

The table below shows the areas in which we expect each director and auditor to perform, taking into account their expertise and experience, in order to steadily implement the Group's medium-term management plan and achieve its goals.

| Name              | Position   |         |             | Nomination and Remuneration Advisory Committee | Years in Office | Areas of Particular Interest (Up to 4 areas are listed)    |  |                 |                 |                            |                                |
|-------------------|--|---------|-------------|--|-----------------|--|--|-----------------|-----------------|----------------------------|--------------------------------|
|                   | Executive Status   |         |             |  |                 | Business and Other Management (Industry)                   | Finance & Accounting   | Global Business | IT & Technology | Human Resource Development | Internal Controls & Management |
| Yasunori Tsujita  | Director and Chairman, Chairperson of Board of Directors   |         |             | Chairperson                                    | 11              | ● (Finance (Bank · Lease))                                 |  |                 | ●               | ●                          | ●                              |
| Hiroaki Oda       | President and Chief Executive Officer (Representative Director)<br>President and Executive Officer |         |             |  | 5               | ● (Finance (Bank · Lease))                                 |  | ●               |                 |                            |                                |
| Keiji Takada      | Director and Deputy President (Representative Director)<br>Deputy President and Executive Officer  |         |             |  | 6               | ● (Finance (Lease))  |  | ●               |                 |                            |                                |
| Yusuke Kishida    | Director and Deputy President (Representative Director)<br>Deputy President and Executive Officer  |         |             |  | 4               | ● (Finance (Lease))  | ●  |                 |                 |                            | ●                              |
| Hiroshi Takahashi | Managing Director<br>Managing Executive Officer  |         |             |  | 2               | ● (Finance (Lease))  | ●  |                 |                 |                            | ●                              |
| Masayuki Yamamura | Director   | Outside | Independent |  | Member          | 7  | ● (Communications · Technology)  | ●               |                 | ●                          | ●                              |
| Hiroko Matsumoto  | Director   | Outside | Independent |  | Member          | 5  | ● (University Education · Industry-Government-Academia Collaboration · Product Design) |                 |                 |                            | ●                              |
| Kazuya Masu       | Director   | Outside | Independent | Member   | 1               | ● (University Education · Technology Business Development) |  | ●               | ●               | ●                          |                                |
| Ryuichi Isaka     | Director   | Outside | Independent | Member   | (New election)  | ● (Retail)   |  | ●               |                 | ●                          |                                |
| Masato Morikawa   | Full-time Audit & Supervisory Board Member   |         |             |  | 2               | ● (Finance (Lease))  | ●  | ●               |                 |                            |                                |
| Tomohiko Okazaki  | Full-time Audit & Supervisory Board Member   |         |             |  | 1               | ● (Finance (Lease))  |  |                 |                 | ●                          |                                |
| Erino Nemoto      | Full-time Audit & Supervisory Board Member   | Outside | Independent |  | (New election)  |  |  | ●               |                 | ●                          |                                |
| Hiroshi Imoto     | Audit & Supervisory Board Member   | Outside | Independent |  | 5               | ● (Finance (International Finance))                        |  | ●               |                 | ●                          |                                |
| Eimei Ookubo      | Audit & Supervisory Board Member   | Outside | Independent |  | 1               | ● (Finance (Insurance))                                    | ●  |                 |                 |                            |                                |

(Note 1) The list above does not represent all of the knowledge and experience possessed by each director and audit & supervisory board member

(Note 2) Of the 14 directors and audit & supervisory board members, 12 are male and 2 is female. The number of years in office is calculated in months.

3. Timely Disclosure System Flowchart

