

[Point to note]

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Corporate Governance Report

CORPORATE GOVERNANCE

TRADERS HOLDINGS CO., LTD.

Last Update: June 24, 2026

TRADERS HOLDINGS CO., LTD.

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The corporate governance of TRADERS HOLDINGS 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 Group’s Management Philosophy is to contribute to the development of society and the economy through financial services, aim to be an innovator in financial services, and value all people involved through sound business activities.

In addition, we at the Group have newly formulated the following mission, vision, values, and taglines to serve as the starting point and guideline for all our future activities.

[MISSION]

Create New Value

[VISION]

TRADERS Group will become the “FinTech” Group most trusted by customers and realize a society in which everyone can invest in the future.

[VALUE]

• TRADERS HOLDINGS CO., LTD.

We will continue to take on the challenge of reform through management that respects compliance and diversity, while valuing all the people involved.

• TRADERS SECURITIES CO., LTD.

We will continue to take on the challenge of providing new services demanded by customers and society while contributing to the improvement of financial literacy.

• FleGrowth Co., Ltd.

We will continue to aim for the development of stable and innovative systems with a sense of speed while providing competitive services.

[Taglines]

“Making Finance More Interesting.”

Based on the challenge of creating an environment in which everyone, regardless of financial literacy, can invest with confidence, and on our track record of providing services from the customer's perspective, we hope to lower the hurdles of "finance" itself, and to make investing more anticipated and exciting for our customers.

Based on this mission, vision, and values, we recognize that establishing corporate governance is essential for increasing corporate value, maximizing shareholder returns, and building good relationships with our stakeholders.

Specifically, the Company believes that it is important for the President and other Directors, etc. who are entrusted with the management of the Group to exercise self-discipline, make appropriate management decisions based on their responsibilities, and pursue profits through the business operated by the Group, to ensure financial soundness and improve its reliability, to actively disclose information in order to fulfill accountability, to establish an effective internal control system, and for the Audit and Supervisory Committee to maintain their independence and exercise sufficient auditing functions.

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

The Company implements all the principles of the Corporate Governance Code.

Disclosure Based on Each Principle of the Corporate Governance Code Updated

[Principle 1.4: Cross-Shareholdings]

The Company does not have cross-shareholdings. The Company may hold such shares if the Board of Directors determines that holding them could lead to an increase in the corporate value of the Company taking into consideration the growth potential, future potential, business relationships, and other factors of the investee company. If the Company strategically holds listed shares, the Board of Directors will annually examine the appropriateness of the holding of such shares from a medium- to long-term perspective (such as the significance of holding such shares, the business relationship with the entity to which such shares are strategically held, and the economic rationality of holding such shares).

In addition, the Board of Directors will comprehensively deliberate on whether the exercise of voting rights pertaining to such shares will contribute to the enhancement of the Company's corporate value by maintaining and strengthening the business and business relationship with the Group.

[Principle 1.7: Related-Party Transactions]

The Company, in principle, does not engage in related-party transactions when the Company engages in transactions with officers or major shareholders, etc., in accordance with the Rules for Related-Party Transactions.

However, when the need arises to engage in related-party transactions, the Company has clarified the necessary procedures, etc. so as not to harm the interests of the Company (and shareholders as a whole).

The Board of Directors verifies and deliberates on the necessity and appropriateness of such transactions and the reasonableness of the transaction terms based on sufficient grounds in advance and makes decisions based on the opinions of independent outside directors.

[Supplementary Principle 2.4.1: Diversity and Human Resource Development Policy and Internal Environment Development Policy]

The Company recognizes that securing diverse human resources, including women and mid-career hires, contributes to the enhancement of medium- to long-term corporate value. In particular, from the perspective of improving diversity within the Board of Directors, the Company has appointed a female Outside Director.

As part of its human resource development policy established in 2023, the Company has stipulated that "the Traders Group shall provide training and reskilling opportunities to each employee from the perspective of fostering human resources who can share the Group's values, namely, those who value all people involved, respect compliance and diversity, and continue to take on challenges for transformation." Through this policy, the Company has reaffirmed the importance of diversity and development programs for core human resources. In addition, at the Company's overseas subsidiaries located in Dalian, China and Hanoi, Vietnam, foreign employees are engaged in core operations such as system development, and foreign employees

account for more than half of the total workforce of the Group as a whole. Accordingly, the Group is committed to securing global human resources on a group-wide basis. The Company will continue to appropriately monitor various human resource indicators, including those relating to women and foreign employees, through ongoing trend analysis by fiscal year, and will continue efforts to improve the workplace and working environment in ways that appropriately reflect social and business trends and contribute directly to enhancing corporate value. Furthermore, from the perspective of securing diverse capabilities that can contribute immediately to operations, the majority of the Group's hiring results consist of experienced mid-career hires. Going forward, the Company will continue to develop an environment in which globally diverse human resources can play active roles in line with the growth and expansion of its business. In addition, as part of its policy for developing the internal working environment, the Company has stipulated that "the Traders Group shall engage in wellbeing-oriented management in order to protect workplace safety and the physical and mental health of each employee, and to create an environment in which employees can achieve social satisfaction". Based on this policy, the Company will continue to secure diverse human resources on a sustainable basis by improving its organizational foundation through diversification of employment arrangements and enhancement of employee benefits, promoting awareness of compliance through enhancement of internal training programs and implementation of anti-harassment measures, and fostering mutual trust through regular personnel interviews.

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

As of the date of submission of this report, the Company has not adopted a corporate pension plan. If a plan is introduced in the future, the Company will take measures in accordance with the principles.

[Principle 3.1: Full Disclosure]

- i) The Group's management policies, initiatives, etc. are disclosed on the Company's website as well as in the Notice of Convocation of the General Meeting of Shareholders, securities reports, etc. The details are as follows.

<Management Philosophy>

We will contribute to the development of society and the economy through financial services, aim to be an innovator in financial services, and value all people involved through sound business activities. Based on these management philosophies, in April 2024, the Group announced the "Traders Group Vision for 2027" to shareholders, investors, and all stakeholders as the medium-term management objectives of the Group's business strategy.

- ii) The basic views and policies on corporate governance are disclosed on the Company's website under "Corporate Governance Report," as well as in reports on corporate governance, securities reports, business reports, etc.
- iii) The Company's basic policy regarding remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) is to maintain remuneration at appropriate levels reflecting each Director's responsibilities. Specifically, remuneration consists of base compensation, bonuses, and stock compensation and other non-monetary compensation. With respect to the amount of base compensation and bonuses for each individual Director, as well as the timing of payment thereof, the Company consults in advance with the voluntary Nomination and Compensation Committee and determines the specific details of compensation by resolution of the Board of Directors after obtaining the committee's recommendations. Details regarding the structure of the remuneration system and related procedures are disclosed in the business report and on the Company's website.
- iv) The Company's Board of Directors has established standards and procedures for the appointment and dismissal of candidates for Directors and Directors Who are Audit and Supervisory Committee Members respectively. Executive Directors must have a high level of expertise in their area of responsibility and must be appropriate human resources to promote a highly efficient management system that can respond quickly, flexibly and appropriately to changes in the management environment.
Outside Directors must be able to monitor management from an objective standpoint with independence, without bias toward the interests of the management or specific interested parties and must have broad insight. Directors Who are

Audit and Supervisory Committee Members must be people who recognize the roles and responsibilities of the Company and have broad insight, without bias toward the interests of the management or specific interest parties.

When nominating candidates for Directors, the Board of Directors carefully considers and determines the candidates, taking into consideration the selection criteria. When nominating candidates for Directors Who are Audit and Supervisory Committee Members, the Board of Directors determines the candidates, taking into consideration the selection criteria and obtaining the prior deliberation and consent of the Audit and Supervisory Committee.

- v) When the Board of Directors appoints or dismisses senior management and nominates candidates for Directors excluding Directors Who Are Audit and Supervisory Committee Members and Directors Who are Audit and Supervisory Committee Members, the reasons and expected roles are stated and explained together with individual career summaries in the proposal for election of officers in the Notice of Convocation of the General Meeting of Shareholders. In addition, when a senior management member is dismissed, the background, reasons, and other details of the replacement will be disclosed and explained.

[Supplementary Principle 3.1.3: Sustainability Initiatives]

Under its management philosophy of “contributing to the development of society and the economy through financial services,” the Company has established an ESG Promotion Committee and continues to implement initiatives addressing various sustainability-related issues in accordance with its sustainability policy, which is aligned with the Group’s business activities. In particular, the Company positions financial and economic education activities, which are closely related to the Group’s business operations, as a key material issue and publicly discloses a wide range of initiatives, primarily focused on improving financial literacy among younger generations, through its website and various disclosure materials.

Going forward, the Group will continue to actively promote sustainability initiatives that contribute to sustainable and cyclical corporate growth together with society and the environment through its core businesses of financial services and system development, while continuously disclosing such initiatives.

In addition, the Company recognizes that proactive investment in human capital based on its management strategy serves as a foundation for corporate growth. Accordingly, the Company is promoting initiatives aimed at enhancing diversity, including the appointment of female officers, and has clarified its “Human Resource Development Policy” and “Internal Environment Development Policy.” Since then, the Company has strengthened qualification support programs, including support for training and reskilling, to promote diversity and the active participation of diverse human resources, including women. The Company has also revised its personnel evaluation system to ensure fairness and transparency and enhanced internal communication systems and employee benefit programs, thereby providing opportunities for the effective development and recruitment of talented individuals with diverse backgrounds. In its annual securities report, the Company discloses year-by-year trends regarding indicators related to human capital. By continuously conducting appropriate monitoring and analysis of such indicators, the Company will continue its efforts to improve the workplace and working environment in ways that appropriately reflect social and business trends and contribute directly to enhancing corporate value. Furthermore, in the business domain of providing financial transaction services through the Internet, the continued recruitment and retention of system engineers who support advanced system development and operations will remain a critical factor in maintaining and enhancing the Group’s competitive advantage as it pursues further growth and expansion. The Group will continue to actively invest in both human capital and intellectual property. From the human capital perspective, this includes securing and developing DX talent, for which global competition is becoming increasingly intense. From the intellectual property perspective, this includes strengthening intellectual property strategies that can be accumulated through the expansion of financial services. As part of these efforts, the Group has strategically established a patent application framework and has steadily expanded both the number and scope of patent applications. Going forward, the Group will promote the effective utilization of intellectual property and further enhancement of its intellectual property strategy as important management initiatives, while also providing clear and understandable disclosures regarding these efforts.

[Supplementary Principle 4.1.1: Scope of Delegation to Management]

The Board of Directors shall make decisions on the execution of important business tasks that are required to be decided by the Board of Directors pursuant to the basic management policy, laws and regulations, and the Articles of Incorporation.

However, the Company's Rules for the Board of Directors clearly specify the content and scope of such decisions to be deliberated and decided by the Board of Directors (agenda items). In addition, in accordance with the Company's Administrative Authority Regulations, which stipulate the approval authority (approval standards) of each organization according to the importance of the matter, the amount of money, etc., the scope of business delegation is determined according to the position, etc., and the authority and responsibility are clarified.

[Principle 4.9: Independence Standards and Qualification for Independent Directors]

The Company has established the Independence Standards for Outside Directors including Outside Audit and Supervisory Committee Members by the Board of Directors for the purpose of clarifying the independence standards for judging and certifying Outside Directors and Outside Directors Who are Audit and Supervisory Committee Members as independent officers. In addition to the independence standards set forth by the Tokyo Stock Exchange, if the Company determines that the requirements set forth in the said standards of the Company are satisfied after conducting an investigation within a reasonable scope, the Company shall certify that the said officers have independence and carefully consider candidates based on the said standards.

[Principle 4.10.1: Appropriate involvement and advice from independent outside directors through the establishment of an independent Nomination and Compensation Advisory Committee]

The Company transitioned from a company with a board of corporate auditors to a company with an Audit and Supervisory Committee by resolution of the 25th Annual General Meeting of Shareholders held in June 2024. In conjunction with this transition, the Company established a voluntary Nomination and Compensation Committee under the Board of Directors, whose principal members are Outside Directors, in order to strengthen the independence, objectivity, and accountability of the Board of Directors' functions relating to the nomination and compensation of Directors and senior management. Each committee consists of at least three members selected from officers (Directors and Outside Directors) with the approval of the Board of Directors, and the chairperson and a majority of the members are Outside Directors. The Committee deliberates on matters relating to the nomination and compensation of Directors and senior management, as well as other matters requested by the committee members, and reports the results of its deliberations to the Board of Directors.

In addition to matters concerning the nomination and remuneration of Directors and senior management, the Nomination and Compensation Committee also deliberates on policies relating to the formulation and operation of succession plans and matters relating to human resource development. Through these deliberations, the Committee also considers the composition of the Board of Directors from the perspectives of ensuring diversity and the skills and expertise that the Board of Directors should possess and plans to create opportunities for further deliberations that contribute to strengthening the functions of the Board of Directors.

[Supplementary Principle 4.11.1: Approach, etc. Concerning Diversity of the Board of Directors]

The Company has identified the skills and expertise that the Board of Directors should possess based on the Group's business characteristics, management environment, and management strategies, and has established such skills and expertise as necessary competencies for the Board of Directors. These skills and expertise are organized into a matrix table, which is clearly defined as part of the criteria for selecting Director candidates and is disclosed in the notice of convocation and other disclosure materials. The Board of Directors consists of three executive Directors who possess extensive business knowledge, experience, and management capabilities cultivated through many years of involvement in the financial derivatives trading business (FX business) since its early stages in Japan, as well as expertise in marketing, which is an important element of the Group's business operations. In addition, the Board includes one Director who is an Audit and Supervisory Committee Member with audit experience at a major Japanese financial institution, as well as five Outside Directors (constituting a majority of the Board of Directors) comprising external experts and individuals with corporate management experience at other companies who possess advanced expertise in their respective fields, including legal expertise as qualified attorneys-at-law, financial, accounting, and tax expertise as certified public accountants and tax accountants, and corporate oversight experience in financial businesses gained through careers at Japan's largest securities company. The Company is also working to enhance diversity and expertise, including gender diversity, through measures such as appointing a female Outside Director. In light of the nature and scale of the Group's core financial instruments business, the Company believes that the Board of Directors

possesses sufficient diversity and balance to appropriately perform its functions and efficiently ensure its effectiveness.

[Supplementary Principle 4.11.2: Status of Concurrent Positions Held by Directors]

The status of concurrent positions held by Directors at other listed companies is stated every year in the Securities Report and the Notice of Convocation of the General Meeting of Shareholders (Materials for Proposals for Election), etc.

Currently, one Outside Director Who Is an Audit and Supervisory Committee Member serves concurrently as a Director Who Is an Audit and Supervisory Committee Member at another listed company.

The Company has determined that there are no conflicts of interest among the Directors and Director Who Is an Audit and Supervisory Committee Member of the Company. When appointing Directors and Directors Who are Audit and Supervisory Committee Members (to be proposed), the Company confirms in advance that there are no obstacles to the Directors and Directors Who are Audit and Supervisory Committee Members continuously fulfilling their responsibilities in the Company's positions, and that there are no conflicts of interest, etc., between the Directors and the companies at which they hold concurrent positions, by conducting interviews in advance.

Other directors do not concurrently serve as officers of other listed companies. To appropriately fulfill the roles and responsibilities of the Directors of the Company, the Company recognizes that the status of concurrent positions is within a reasonable range, and the Directors secure the necessary time and effort according to each job responsibility and fulfill their expected roles and responsibilities.

[Supplementary Principle 4.11.3: Evaluation of the Effectiveness of the Board of Directors]

Since April 2022, the Company has analyzed and evaluated the effectiveness of the Board of Directors as a whole and disclosed a summary of the results. To increase the effectiveness of the Board of Directors, the Company will conduct a self-evaluation and analysis questionnaire for all Directors including Directors Who are Audit and Supervisory Committee Members every fiscal year.

[Supplementary Principle 4.14.2: Policy on Training for Directors]

The Company provides and introduces opportunities for training necessary for Directors and Audit and Supervisory Committee Members to fulfill their roles and responsibilities on an ongoing basis. Directors and Audit and Supervisory Committee Members shall attend internal training sessions hosted by the Company, study sessions with invited external lecturers, and training sessions for officers at the Corporate Governance Committee.

Directors and Audit and Supervisory Committee Members of the Company actively participate in and attend seminars and training sessions organized by related organizations and institutions such as the Tokyo Stock Exchange, the Japan Institute of Directors, Kansakonwakai (Audit Forum), and the Japan Audit and Supervisory Board Members Association, as well as training sessions on business conducted by the organizations to which professional experts belong, and other private external training sessions. The Company strives to have its members continuously acquire and refine the necessary knowledge to sufficiently fulfill the responsibilities and roles of the Directors and Audit and Supervisory Committee Members of the Company.

[Principle 5.1: Policy for Constructive Dialogue with Shareholders]

To achieve proactive, continuous, and constructive communication with shareholders and investors, the Company will disclose information on the Company's management and financial conditions in a timely, appropriate, and fair manner, and actively disseminate information not only on the details of the Group's business but also on related market environments and management environments, to deepen understanding of the Group. The establishment of systems and initiatives to promote constructive dialogue with shareholders is as follows.

- i) The Company has appointed and designated a Director (Information Handling Officer) in charge of the IR and Public Relations Department, which is the department in charge of IR, as a person who is responsible for overall constructive dialogue with shareholders and investors. The Director, in cooperation with other management, shall develop an internal system to enhance dialogue and have dialogue.

- ii) In order to effectively conduct dialogue with shareholders and investors and ensure its effectiveness, the Company has established the IR & Public Relations Department as a contact point for external dialogue. In addition, the Director in charge of the IR & Public Relations Department (Information Handling Officer) leads the integrated aggregation of internal information to promote dialogue, organic cooperation among internal divisions to have dialogue, and disclosure of various types of information.
- iii) In response to requests for individual meetings from shareholders and investors, the Company will actively conduct such meetings for the purpose of engaging in dialogue that contributes to the medium- to long-term improvement of the Company's corporate value. In addition, the Company will strive to further expand and deepen the content of information disclosure mainly through the Company's website and by listening to (grasping) the opinions of general individual shareholders, who account for a large number in the Company, through individual emails, etc. In addition, the Company will strive to strengthen initiatives that contribute to promoting understanding of the Company by providing the Company's information (company briefings and business briefings) to analysts, shareholders, investors, the media, etc. as necessary and diversifying the means of providing such information (including the use of online media).
- iv) The Company reports to the Board of Directors, either semi-annually or as appropriate, various types of information or concerns that have been identified through dialogue with shareholders and investors and are deemed to contribute to the Company's management, as well as the status and transition of the composition of shareholders in the shareholder register, to share information appropriately with Directors.
- v) With regard to the management of insider information at the time of dialogue, the Company engages in dialogue after continuously implementing initiatives to ensure effectiveness by educating internal personnel about the handling (management) of information and fair disclosure, and thoroughly familiarizing them with internal rules on the management of important information. In addition, the Company takes multiple measures to prevent the leakage of important information by setting a certain period of silence (period for refraining from responding) until the date of the announcement of financial results and limiting interviews.

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

Content of Disclosure Updated	Disclosure of Initiatives (Update)
Availability of English Disclosure Updated	Available
Date of Update Updated	April 30, 2026

Recognizing that the effective utilization of capital is essential to enhancing corporate value, the Company regards return on equity (ROE) as a key management indicator. The Company targets maintaining ROE in the mid-25% range. The Company's initiatives toward realizing management that is conscious of its cost of capital and stock price are described in the "Financial Results for the Fiscal Year Ended March 31, 2026"

https://www.tradershd.com/pdf/news/20260430_FinancialResults.pdf.

2. Capital Structure

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

Name or Company Name	Number of Shares Owned	Percentage (%)
K Power Co., Ltd.	5,875,400	22.29
J & R Ltd	3,355,560	12.73
Taka Kanamaru	1,040,015	3.94
BNP PARIBAS LUXEMBOURG /2S / JASDEC /FIM /LUXEMBOURG FUNDS/UCITS ASSETS	974,000	3.69
Asahi Kosan Co., Ltd.	788,720	2.99
Takayuki Kanamaru	777,100	2.95
Toshihiko Fukui	744,900	2.83
BBH BOSTON CUSTODIAN FOR JAPAN EQUITY PREMIUM FUND OF UBS UNIVERSAL 620373	698,000	2.65
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	652,409	2.47
Nomura Securities Co., Ltd.	525,408	1.99

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

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Name of Parent Company, if applicable

None

Supplementary Explanation Updated

The above status of major shareholders is based on the shareholder register as of March 31, 2026.

3. Corporate Attributes

Stock Exchange Listed On and Market Segment	Standard Market, Tokyo Stock Exchange
Fiscal Year-End	March
Business Sector	Securities & Commodity Futures
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	100 or more but fewer than 500
Net Sales (Consolidated) for the Previous Fiscal Year	JPY10 billion or more but less than JPY100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10

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

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5. Other Special Circumstances Which May Have a Material Impact on Corporate Governance Updated

K Power Co., Ltd. directly owns 22.45% of the Company's voting rights and is classified as another related company.

K Power Co., Ltd. is an unlisted asset management company of the founding family, and there are no transactions between the Company and K Power Co., Ltd.

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 Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	11
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors Updated	9
Election of Outside Directors	Yes
Number of Outside Directors Updated	5
Number of Independent Directors Updated	4

Outside Directors' Relationship with the Company (1) Updated

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Masashi Ichikawa	CPA											
Daisuke Kawabata	Lawyer											
Hiroshi Sugekawa	Tax Accountant											
Kenta Asaeda	Lawyer											
Atsuko Yamakawa	Experience at 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 a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary

- d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
- e. Major client of the Company or a person who executes business for said client
- f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
- g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- h. 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)
- i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- k. Other

Outside Directors' Relationship with the Company (2) Updated

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Masashi Ichikawa		○	—	Although Mr. Ichikawa has not been involved in corporate management other than as an outside officer, he has extensive experience as a certified public accountant, and the Company believes that he can supervise the management of the Company from an outside perspective. In addition, he does not fall under any of the above a. to k., and the Company has designated him as an independent director since there is no risk of a conflict of interest with general shareholders.
Daisuke Kawabata		○	—	Although Mr. Kawabata has never been involved in corporate management, considering his extensive experience as an attorney-at-law, he has been able to provide management oversight of the Company's management from a fair standpoint, mainly based on his legal professional perspective. He is appointed as an outside director in the expectation that he will appropriately perform his duties as an outside director of the Company. In addition, he does not fall under any of the above a. to k., and the Company has designated him as independent director since there is no risk of a conflict of interest with general shareholders.
Hiroshi Sugekawa	○		—	Based on his extensive experience as a certified tax accountant and member of the House of Representatives, we believe that Mr. Sugekawa will be able to perform his duties appropriately considering his extensive professional knowledge and broad insight in the field of tax accounting. Although he has no direct experience in corporate management, he is appointed as an outside director as a member of the Audit and Supervisory Committee in the expectation that he will apply his knowledge and experience to the supervision of the

				Company's management, etc., from a standpoint independent of the management team that conducts business operations.
Kenta Asaeda	○	○	—	Mr. Asaeda is well versed in corporate legal affairs as an attorney at law and has sufficient insight to audit corporate management through his appointment as an outside director of a listed company as a member of the Audit and Supervisory Committee. Although he has no experience of being directly involved in corporate management other than being an outside officer, we have appointed him as an outside director as a member of the Audit and Supervisory Committee in the expectation that he will apply his expertise and experience to the supervision of the Company's management from a standpoint independent of the management team that executes business operations. In addition, he does not fall under any of the above a. to k., and the Company has designated him as independent director since there is no risk of a conflict of interest with general shareholders.
Atsuko Yamakawa	○	○	—	Ms. Yamakawa possesses extensive knowledge and broad insight regarding corporate management, the securities and financial industries, diversity management, sustainability, and ESG matters, cultivated through her extensive professional experience in the financial industry, including securities companies, as well as through serving in key positions such as Director and Chairperson of the Board of Directors. The Company expects that she will provide valuable advice and recommendations concerning the Group's medium- to long-term growth strategies and enhancement of corporate value and contribute to strengthening the supervisory functions of management as a whole. Accordingly, the Company appointed her as an Outside Director. In addition, she does not fall under any of the above a. to k., and the Company has designated her as independent director since there is no risk of a conflict of interest with general shareholders.

Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	3	1	1	2	Inside Director

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

Not Appointed

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

The Audit and Supervisory Committee discusses the internal audit plan with the Internal Audit Department in advance. In addition, the Internal Audit Division shall report regularly to the Audit and Supervisory Committee results and other matters, and the Audit and Supervisory Committee may request the Internal Audit Division to investigate as necessary. In addition, directors, and the Audit and Supervisory Committee members request information necessary for the execution of their duties from the relevant divisions and the Board of Directors Administration Office as appropriate, and the relevant divisions, etc. that are requested to provide such information shall respond appropriately.

In addition, if there are any questions or unclear points regarding the various materials provided by the Company, they request additional materials or explanations, and strive to smoothly collect the information and materials necessary for them to make their own decisions. The General Affairs Department, which also serves as the secretariat of the Board of Directors, plays a central role in providing support to the Company's directors and Audit and Supervisory Committee members to promote smooth operations. In addition, to enhance the effectiveness of audit operations by the Audit and Supervisory Committee, the Company promptly responds to requests to assign individual employees to assist the Audit and Supervisory Committee in its duties.

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

The Company's Internal Audit Department discusses with the Audit and Supervisory Committee prior to the formulation of the "Annual Internal Audit Plan," and the Internal Audit Manager reports the audit results to the Audit and Supervisory Committee on an individual basis. In addition, monthly meetings are held with the Audit and Supervisory Committee, including the internal audit departments of subsidiaries, to share and understand information on the status of implementation of internal audits and evaluation of internal control over financial reporting, and to enhance the effectiveness of organizational audits, appropriate collaboration is ensured.

In addition, in cooperation with the accounting auditors, our Internal Audit Department holds meetings with the accounting auditors in the course of accounting audits, quarterly reviews, and internal control audits related to financial reporting, and also shares information by submitting internal audit reports, trails, and other materials in a timely manner.

Voluntary Established Committee(s)

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 Compensation Committee	5	0	2	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Compensation Committee	5	0	2	3	0	0	Outside Director

Supplementary Explanation

To strengthen the effective corporate governance system by strengthening the supervisory function of the Board of Directors of the Company, the Company has established the Nomination and Compensation Committee, which is positioned by the Board of Directors as its advisory body, to ensure the fairness, transparency and objectivity of procedures concerning nomination and compensation, etc. of Directors. The Nomination and Compensation Committee of the Company consists of five (5) members, three (3) outside directors and two (2) inside directors, and is chaired by an outside director.

Matters Concerning Independent Directors

Number of Independent Directors	Updated	4
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Other Matters Concerning Independent Directors

The Company nominates persons who satisfy the requirements set forth in the Independence Criteria for Outside Officers independently established by the Board of Directors of the Company, in addition to the criteria for Independent Officers set forth by the Tokyo Stock Exchange, and who have a high level of insight and abundant knowledge and experience in their fields of expertise that enable them to provide supervision and advice from an external and fair standpoint.

Incentives

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

1. Restricted Stock Compensation (Non-Monetary Compensation)

The Company has introduced a restricted stock compensation plan as non-monetary compensation for the purpose of strengthening the linkage between Directors' compensation and the enhancement of medium- to long-term business performance and corporate value.

(1) Executive Directors

Restricted stock granted to Executive Directors shall be delivered through contribution in kind of all monetary compensation claims granted by the Company. The restriction period shall, in principle, be 30 years from the date of grant; provided, however, that where a Director retires from his or her position for a justifiable reason, the timing of the lifting of the transfer restrictions may be reasonably adjusted.

(2) Outside Directors

Restricted stock granted to Outside Directors shall be provided for the purpose of sharing awareness of the enhancement of

medium- to long-term corporate value while ensuring independence. The restriction period shall continue until the expiration of the relevant Outside Director's term of office (i.e., retirement).

(3) Directors Who Are Audit and Supervisory Committee Members

Restricted stock granted to Directors who are Audit and Supervisory Committee Members shall be provided for the purpose of further promoting value sharing with shareholders and enhancing the effectiveness of the audit and supervisory functions performed by such Directors. The restriction period shall continue until the expiration of the relevant Director's term of office (i.e., retirement).

2. Bonuses (Monetary Compensation)

Bonuses for Executive Directors shall be determined, after consultation with and recommendations from the Nomination and Compensation Committee, based on the degree of achievement of the Group's performance indicators and target levels and other relevant factors, for the purpose of enhancing incentives to improve business performance for each fiscal year.

No bonuses shall be paid to Outside Directors from the perspective of ensuring their independence and objectivity.

Bonuses for Directors who are Audit and Supervisory Committee Members shall be determined through consultation among the Audit and Supervisory Committee Members.

(Note) Resolution regarding the Policy for Determining the Details of Individual Director Compensation, etc., adopted on May 22, 2026

Persons Eligible for Stock Options

Employees / Subsidiaries' Directors / Subsidiaries' Employees

Supplementary Explanation for Applicable Items

The purpose of granting stock options is to further strengthen the link between the Company's business performance and stock value and to further increase the motivation and morale of the Company's employees and the directors and employees of the Company's subsidiaries to contribute to the improvement of business performance and the enhancement of corporate value over the medium to long term.

Director Remuneration

Status of Disclosure of Individual Director's Remuneration

Disclosure for Selected Directors

Supplementary Explanation for Applicable Items **Updated**

- Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)
446 million yen (base compensation: 172 million yen, bonus 72 million yen, restricted stock compensation: 201 million yen)
3 persons
- Directors who are Audit and Supervisory Committee Members (excluding Outside Directors)
21 million yen (base compensation: 15 million yen, bonus 5 million yen) 1 person
- Outside Directors 42 million yen (base remuneration: 33 million yen, bonus: 8 million yen) 4 persons

(Notes)

1. The breakdown of total non-monetary compensation, etc. for Directors (excluding Outside Directors) consists of 201 million yen in restricted stock compensation.
2. The remuneration amounts shown above include bonuses paid under the remuneration structure in place prior to the revision of the Policy for Determining the Details of Individual Compensation, etc., which was revised on May 22, 2026.
3. The amount of monetary compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) was resolved at the 25th Annual General Meeting of Shareholders held on June 26, 2024, to be within 500 million

yen per year (including up to 80 million yen per year for Outside Directors) (excluding the salary portion for employees concurrently serving as Directors).

4. The amount of monetary compensation for Directors who are Audit and Supervisory Committee Members was resolved at the 25th Annual General Meeting of Shareholders held on June 26, 2024, to be within 150 million yen per year. As of the conclusion of such Annual General Meeting of Shareholders, the number of Directors who are Audit and Supervisory Committee Members was three (3), including two (2) Outside Directors.
5. Non-monetary compensation for Directors (restricted stock compensation)
 - (1) Separately from monetary compensation, the 25th Annual General Meeting of Shareholders held on June 26, 2024 resolved that stock compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) shall be within 300 million yen per year, with the upper limit of shares to be granted set at 800,000 shares per year.
 - (2) Separately from monetary compensation, the 27th Annual General Meeting of Shareholders held on June 24, 2026 resolved that stock compensation for Outside Directors shall be within 100 million yen per year, with the upper limit of shares to be granted set at 100,000 shares per year.
 - (3) Separately from monetary compensation, the 27th Annual General Meeting of Shareholders held on June 24, 2026 resolved that stock compensation for Directors who are Audit and Supervisory Committee Members shall be within 30 million yen per year, with the upper limit of shares to be granted set at 30,000 shares per year.
6. Individual compensation is disclosed in the annual securities report for persons whose total consolidated compensation, etc. amounts to 100 million yen or more

Policy on Determining Remuneration Amounts and Calculation Methods **Updated**

Yes

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

At the meeting of the Board of Directors held on May 22, 2026, the Company resolved the policy for determining the details of remuneration, etc. for individual Directors as follows.

1. Basic Policy

The Company's basic policy is to establish a compensation structure for Directors (excluding Directors who are Audit and Supervisory Committee Members) that is set at an appropriate level reflecting each Director's responsibilities and role, while functioning as an incentive to enhance medium- to long-term corporate value and achieve sustainable growth. Specifically, for executive Directors, the compensation structure emphasizes clarification of management responsibility and linkage to performance, while for Outside Directors, it is designed to ensure independence and objectivity and to promote the exercise of supervisory and advisory functions from a medium- to long-term perspective.

2. Basic Remuneration (Monetary Compensation)

Basic remuneration shall consist of fixed monthly compensation. It shall be determined by the Board of Directors after consultation with and recommendation from the Nomination and Compensation Committee, taking into comprehensive consideration factors such as the business environment and performance of the Group, the scope and scale of each Director's responsibilities, the degree of responsibility for Group management, past achievements and performance, and expected future roles.

3. Bonuses (Monetary Compensation)

Bonuses for executive Directors shall be determined based on the degree of achievement of the Group's performance indicators and target levels, after consultation with and recommendation from the Nomination and Compensation Committee, for the purpose of raising awareness of improving performance each fiscal year. No bonuses shall be paid to Outside Directors, from the perspective of ensuring their independence and objectivity.

4. Retirement Benefits (Monetary Compensation)

The Company shall abolish the executive retirement benefit plan for Directors.

However, an amount equivalent to the retirement benefits corresponding to the period of service prior to the abolition of the plan shall be paid to each Director at the time of their final retirement.

5. Restricted Stock (Non-Monetary Compensation)

The Company shall introduce a restricted stock compensation plan as a form of non-monetary compensation, with the aim of strengthening alignment with the medium- to long-term performance of Directors and the enhancement of corporate value.

(1) Executive Directors

Restricted stock granted to executive Directors shall be delivered through the contribution in kind of all monetary remuneration claims provided by the Company. The restriction period shall, in principle, be 30 years from the date of the grant, and in the event that a Director resigns from their position due to a justifiable reason, the timing of the lifting of the restriction may be reasonably adjusted.

(2) Outside Directors

Restricted stock granted to Outside Directors shall be provided with the aim of sharing awareness of enhancing medium- to long-term corporate value, while ensuring independence. The restriction period shall be until the expiration of the term of office of the relevant Outside Director (i.e., until they leave office).

6. Composition of Individual Director Compensation

For executive Directors, the proportion of basic remuneration, bonuses, and restricted stock shall be determined at a level that appropriately functions as an incentive for improving performance and enhancing medium- to long-term corporate value, taking into account factors such as the performance of the Group, economic conditions, and the level of peer companies. For Outside Directors, compensation shall consist of basic remuneration and restricted stock, with emphasis placed on the exercise of supervisory and advisory functions from a medium- to long-term perspective, rather than linkage to short-term performance.

7. Procedures for Determining Compensation

The details of individual compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by the Board of Directors after consultation with and recommendation from the Nomination and Compensation Committee.

Support System for Outside Directors

The Secretariat of the Board of Directors sends the materials of the Board of Directors to Outside Directors and Audit and Supervisory Committee Members in advance, provides supplementary explanations, etc. as necessary, and reports and explains, etc. as appropriate other matters and information that are deemed important. There are no appointed staff members to support Outside Directors and Audit and Supervisory Committee Members, but the person in charge provides appropriate support as and when appropriate.

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

The Company has established the Audit and Supervisory Committee, and by granting voting rights at the Board of Directors to Audit and Supervisory Committee Members, the Company aims to strengthen the audit and supervisory functions of the Board of Directors, further enhance corporate governance, and improve corporate value.

The Board of Directors is operated as a decision-making and supervisory body in accordance with the Articles of Incorporation, the Companies Act, and other applicable laws and regulations, with the aim of ensuring efficient and agile decision-making. Regular meetings of the Board of Directors are held monthly, and additional meetings are convened as necessary. The Board of Directors, chaired by Representative Director, Chairman and President Takayuki Kanamaru, consists of six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) — Takayuki Kanamaru, Takeshi Kanamaru, Masayuki Niizuma, Masashi Ichikawa, Daisuke Kawabata, and Atsuko Yamakawa — and three (3) Directors who are Audit and Supervisory Committee Members — Shinichi Omata, Hiroshi Sugekawa, and Kenta Asaeda — for a total of nine (9) Directors. Of these, five (5) Directors — Masashi Ichikawa, Daisuke Kawabata, Atsuko Yamakawa, Hiroshi Sugekawa, and Kenta Asaeda — are Outside Directors as defined in Article 2, Item 15 of the Companies Act. Four (4) of the Outside Directors satisfy the requirements for Independent Officers prescribed by the Tokyo Stock Exchange and maintain independence without being biased toward the interests of management or specific stakeholders. As Independent Officers, they supervise the execution of duties and express necessary opinions at meetings of the Board of Directors.

In addition, a meeting of non-executive officers consisting of Outside Directors and the Full-time Audit and Supervisory Committee Member is held regularly on a monthly basis. Through these meetings, the Company ensures close coordination among Outside Officers by sharing information regarding matters to be resolved by the Board of Directors and other important matters relating to Group management, as well as by exchanging opinions in advance of decision-making.

The Audit and Supervisory Committee consists of three members: Full-time Audit and Supervisory Committee Member Shinichi Omata, and Outside Audit and Supervisory Committee Members Hiroshi Sugekawa and Kenta Asaeda.

The Audit and Supervisory Committee audits the status of the execution of duties by Directors and works to ensure that audits are conducted effectively by cooperating with the accounting auditors. Full-time Directors Who Are Audit and Supervisory Committee Members utilize their characteristics as full-time employees to participate in regular internal meetings, conduct regular interviews with senior management and employees, and check business execution processes such as decision-making processes.

Through these activities, the Directors Who Are Audit and Supervisory Committee Members strive to collect and monitor detailed information not only on matters related to management but also on Group companies daily.

By providing explanations to Outside Audit and Supervisory Committee Members with their own knowledge, the Full-time Directors Who Are Audit and Supervisory Committee Members promote the understanding of Outside Audit and Supervisory Committee Members and enhance the effectiveness of audits and monitoring by the Audit and Supervisory Committee.

In addition, Outside Audit and Supervisory Committee Members, who account for most of the Directors Who Are Audit and Supervisory Committee Members, are qualified as certified tax accountants and attorneys at law, respectively, and conduct highly transparent audits based on a high level of expertise in tax, accounting and corporate legal affairs and strict professional ethics. Audit and Supervisory Committee Members attend important meetings, and request reports on matters to be resolved and the status of activities or grant the authority to request the submission of designated items for deliberation. By deepening cooperation with the Representative Director and the Internal Audit Division, the Directors Who Are Audit and Supervisory Committee Members strive to ensure that the organizational auditing function works effectively.

The Nomination and Remuneration Committee, a majority of whose members are Outside Directors, has been established as a voluntary advisory body to the Board of Directors to further enhance the effective corporate governance system by strengthening the objectivity, transparency and fairness of procedures related to the nomination, remuneration, etc. of Directors. Its main role is to deliberate and report on matters such as the policy and criteria for the appointment and dismissal of Directors, the remuneration system for Directors, and the policy for determining remuneration, which have been consulted by the Board of Directors.

In addition, the Company has established the Corporate Governance Committee (Chairperson: the Company's corporate lawyer; members: all Directors) and invites external experts to share information and exchange opinions on the Group's corporate governance. The members of the Corporate Governance Committee are nominated by the Audit and Supervisory Committee and appointed by the Board of Directors. The members are allowed to make recommendations to the Representative Directors and the Board of Directors on the policies and matters formulated or confirmed by the Corporate Governance Committee.

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted the structure of a company with an Audit and Supervisory Committee in order to further strengthen business execution and corporate governance, which enables the Company to quickly respond to changes in the management environment. To this end, the Company has elected multiple Outside Directors who do not execute business on their own, thereby separating business execution and supervisory functions based on a multifaceted perspective and a high level of professional knowledge. In addition, the Company has further strengthened the audit and supervisory functions of the Board of Directors by granting voting rights of the Board of Directors to Audit and Supervisory Committee Members. Furthermore, the Company can promote the realization of flexible decision-making by delegating part of the decisions on important business execution to Executive Directors.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company strives to send out notices of convocation earlier than the statutory deadline.
Electronic Exercise of Voting Rights	From the Annual Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2018, in addition to the conventional exercise of voting rights in writing, the Company has increased the convenience for shareholders to exercise their voting rights by introducing an electronic voting environment provided by the administrator of the shareholder register.
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 electronic voting platform has been used since the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2023.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	From the Annual Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2023, the Company began providing convocation notices in English.

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 has established the Disclosure Policy and announced it on the Company's website.	
Regular Investor Briefings Held for Individual Investors	In the fiscal year ended March 31, 2023, the Company began holding financial results briefings for analysts and institutional investors.	No
Online Disclosure of IR Information	Financial results, press releases, and other materials are posted.	
Establishment of Department and/or Placement of a Manager in Charge of IR	Investor Relations Department Email address: ir@tradershd.co.jp	

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

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	One of the Management Principles of the Group is to value all people involved through sound business activities. We believe that building good relationships with all stakeholders will contribute broadly to society and further improve the corporate value of the Group. To practice appropriate collaboration with stakeholders and create a better corporate culture, the Company has established the Compliance Manual a code of conduct to be observed by every officer and employee in the execution of their duties. The manual stipulates the importance of respecting the position of stakeholders and is widely disseminated among the officers and employees of the Group. In addition, the President and Representative Director and other

	members of the management team share the importance of appropriate collaboration not only with shareholders but also with stakeholders other than shareholders through opportunities to explain the management policy and future vision directly to senior employees and Group officers on a regular or as-needed basis. Going forward, the Board of Directors and the management team will take the lead in creating a corporate culture and culture that respects the rights and positions of stakeholders and sound business ethics.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	One of the Group's management principles is "to contribute to the development of society and the economy through financial services." To achieve this objective, the Company has established a framework under which the ESG Promotion Committee, comprising members of the Group's management team, discusses various sustainability-related issues. The Group has identified material issues to be addressed and continues to actively promote sustainability initiatives, including CSR activities. Details of these initiatives are disclosed on the Company's website, annual securities reports, and other disclosure materials. The Group considers such initiatives indispensable to achieving sustainable and cyclical growth together with society and the environment through its financial services business and system development business and will continue to actively promote these initiatives. In addition, the Company recognizes that proactive investment in human capital based on its management strategy serves as a foundation for corporate growth. Accordingly, the Company has established and clarified its Human Resource Development Policy and Internal Environment Development Policy. The Company also discloses and publishes indicators relating to workplace diversity, together with analyses of year-to-year trends, in its annual securities reports and other disclosure materials. Details of the Group's sustainability initiatives are available on the Company's website. https://www.tradershd.com/sustainability/
Formulation of Policies, etc. on Provision of Information to Stakeholders	We recognize that disclosing appropriate information about our group and ensuring management transparency are essential not only for the understanding of all stakeholders, but also for protecting investors and ensuring the credibility of the capital market, and we strive to enhance such disclosure under our information disclosure policy. In addition to the timely disclosure required by the Financial Instruments and Exchange Law and other relevant laws and regulations and the Tokyo Stock Exchange, we voluntarily disclose information (including non-financial information) deemed important to our shareholders and other stakeholders in a timely manner so that it is as useful as possible. We will also proactively disclose other relevant information through various media, including our website, in order to deepen understanding of our group. Our information disclosure policy is available on our website. https://www.tradershd.com/sustainability/governance/disclosure/

IV. Matters Concerning the Internal Control System

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

The Company believes that it is essential to develop, evaluate and improve the internal control system to conduct appropriate corporate governance. The internal control system of the Company has been resolved by the Board of Directors as the Basic Policy on Internal Control in accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act. The current Basic Policy on Internal Control is as follows.

1. System to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation
 - 1) The Group has established the Traders Group Compliance Manual, Basic Compliance Policy, the Ethics Code, etc., and directors and employees shall not only execute their duties in accordance with laws and regulations, the Articles of Incorporation, internal rules, etc., but also provide valuable financial services to customers with the highest ethics.
 - 2) We shall respond to anti-social forces that threaten the order and safety of civil society in a resolute and organized manner in cooperation with lawyers, the police, etc.
 - 3) The Board of Directors shall make decisions on the execution of business and supervise the duties of Directors so as to satisfy legality based on laws and regulations and appropriateness based on management decisions.
 - 4) Directors Who are Audit and Supervisory Committee Members shall exercise the authority prescribed by laws and regulations and audit the execution of duties by Directors excluding Directors who are Audit and Supervisory Committee Members.
 - 5) The Corporate Governance Committee, which includes Directors and outside experts, shall be held regularly to exchange opinions on corporate governance, etc.
 - 6) A Compliance Committee shall be established in each securities subsidiary that conducts the main business of the Group, and business operations shall be conducted in compliance with the Financial Instruments and Exchange Act and other laws and regulations under the supervision of the Internal Administration Supervisor.
 - 7) The Company shall establish a hotline that connects to internal and external whistleblowers (law offices, the Company's General Affairs Department, and full-time Directors Who are Audit and Supervisory Committee Members) and establish a mechanism for consultation and whistleblowing (hereinafter referred to as the whistleblowing system).
 - 8) Violation of laws and regulations by employees shall be subject to punishment by the Disciplinary Committee in accordance with the Work Rules, etc.
2. System for the storage and management of information related to the execution of duties by directors
 - 1) The Company has established the Document Management Rules, and important documents (including electromagnetic records), including minutes of important meetings and other information related to the execution of duties by Directors, shall be appropriately stored and managed in accordance with the provisions of such Rules.
 - 2) Retained documents shall be maintained in a condition in which they can be inspected without delay if so requested by Directors.
 - 3) The Company shall establish various regulations concerning information security and protect and manage information assets with a subsidiary that centrally manages the Group's IT systems playing a central role.
3. Regulations and other systems concerning the management of risk of loss
 - 1) Directors shall endeavor to identify, evaluate and manage various risks based on an understanding of the various risks associated with the Group's business and an awareness of the importance of conducting risk management in an integrated manner.
 - 2) The securities subsidiaries that conduct the main business of the Group shall establish a Risk Management Committee and an IT System Risk Management Committee, and implement risk management under the supervision of the officer in charge of risk management in accordance with internal rules such as the Basic Policy for Risk Management, the Risk Management Rules, and the Detailed Rules for Risk Management Rules, after clarifying the roles of each division.
 - 3) The Company and its subsidiaries shall establish a Contingency Plan to prepare appropriate crisis management activities from the perspective of corporate defense and business continuity in preparation for the occurrence of unforeseen and

serious situations such as disasters, accidents and system failures.

4. System to ensure efficient execution of duties by Directors and employees

- 1) The Board of Directors shall be operated in accordance with the Articles of Incorporation and the Regulations of the Board of Directors and shall meet regularly each month or as needed.
- 2) Directors and employees shall execute business efficiently, flexibly and promptly by closely exchanging opinions and sharing information.
- 3) In order to ensure the efficient execution of duties by Directors and employees, the Company shall establish the Organization Rules, Division of Duties Rules, Administrative Authority Rules, and Ringi Rules.

5. Systems to ensure the appropriateness of business operations in the corporate group consisting of the Company and its parent company and subsidiaries

- 1) The Company's Directors receive reports from the Representative Directors, etc. of subsidiaries and affiliates (hereinafter referred to as "Subsidiaries, etc.") at regular monthly meetings of the Company's Board of Directors and regular meetings of the Managing Directors' Meeting and the Management Committee held every month, and work to share information on the direction of business operations, business execution, and risk management of subsidiaries, etc.
- 2) In accordance with the Regulations on the Management of Subsidiaries and Affiliated Companies, the Company shall receive reports from subsidiaries, etc. at the Management Committee and manage the Group.
- 3) The Internal Audit Department of the Company shall conduct internal audits on subsidiaries, etc. within the scope of laws and regulations and the Internal Audit Rules.
- 4) In order to ensure the reliability of the Group's financial reporting, the Company shall develop, operate and evaluate internal controls over financial reporting in accordance with laws and regulations.

6. Matters related to employees assigned to assist the duties of Directors Who are Audit and Supervisory Committee Members when requested by Audit and Supervisory Committee Members, matters related to the independence of such employees from Directors, and matters related to ensuring the effectiveness of instructions to such employees.

- 1) Directors Who are Audit and Supervisory Committee Members may request the Board of Directors to appoint employees who are subject to the instructions of Directors Who are Audit and Supervisory Committee Members (hereinafter referred to as "Assistants to Audit and Supervisory Committee").
- 2) The prior consent of the Audit and Supervisory Committee is required for personnel changes, personnel evaluations, and disciplinary actions of assistants to the Audit and Supervisory Committee.
- 3) Directors Who are Audit and Supervisory Committee Members may request the Board of Directors to determine matters regarding the independence of the Audit and Supervisory Committee's assistants from the Directors.
- 4) Directors Who are Audit and Supervisory Committee Members may submit a request to the Board of Directors regarding matters related to ensuring the effectiveness of instructions given by Audit and Supervisory Committee Members to assistants.

7. System for reporting to Audit and Supervisory Committee

- 1) In addition to statutory matters, Directors (excluding Directors Who are Audit and Supervisory Committee Members) and employees (including Assistants to the Audit and Supervisory Committee) shall, without delay, report to the Audit and Supervisory Committee regarding matters that may have a material impact on the Company and the Group, matters resolved at important meetings, important matters related to compliance and risk management, the whistleblowing system, status of internal audits, etc.
- 2) Directors (excluding Directors Who are Audit and Supervisory Committee Members) and employees (including Assistants to the Audit and Supervisory Committee) shall promptly report the status of business execution, etc., at the request of Directors Who are Audit and Supervisory Committee Members.
- 3) For subsidiaries, the term "Directors (excluding Directors Who are Audit and Supervisory Committee Members) and employees (including Assistants to the Audit and Supervisory Committee)" in the preceding two paragraphs shall be replaced with "Directors, Audit and Supervisory Board Members, members who execute business, and employees of subsidiaries, or persons who receive reports from these persons" for application.

8. System to ensure that persons who report to the Audit and Supervisory Committee are not treated disadvantageously due to such reporting

- 1) Directors (excluding Directors Who are Audit and Supervisory Committee Members) and employees (including Assistants to the Audit and Supervisory Committee) who make reports to Directors Who are Audit and Supervisory Committee Members shall not be treated disadvantageously on the grounds that they have made such reports.
- 2) It shall be clearly stated that whistleblowers under the whistleblowing system shall not be subjected to disadvantageous treatment, retaliation, or discrimination, and consideration shall be given to privacy and human rights.
- 3) For subsidiaries, the term “Directors (excluding Directors Who are Audit and Supervisory Committee Members) and employees (including assistants to the Audit and Supervisory Committee)” in Paragraph 1 shall be rephrased as “Directors, Audit and Supervisory Board Members, members who execute business, and employees of subsidiaries, or persons who receive reports from these persons” and this shall be applied mutatis mutandis in conjunction with the preceding paragraph.

9. Matters related to policies on procedures for advance payment or reimbursement of expenses arising from the execution of duties by Directors Who are Audit and Supervisory Committee Members and other processing of expenses or obligations arising from the execution of duties by Directors Who are Audit and Supervisory Committee Members

- 1) In accordance with the Regulations, the Directors Who are Audit and Supervisory Committee members may resolve at the Audit and Supervisory Committee meeting matters deemed necessary for Audit and Supervisory Committee to perform their duties, such as audit policies, audit methods, and budgets for audit expenses.
- 2) Directors Who are Audit and Supervisory Committee Members may, after the fact, claim reimbursement from the Company for urgent or extraordinary expenses incurred in the execution of their duties.

10. Other systems to ensure that audits by Directors Who are Audit and Supervisory Committee Members are conducted effectively

- 1) Directors Who are Audit and Supervisory Committee Members shall hold regular meetings to facilitate mutual communication with Representative Directors.
- 2) Directors Who are Audit and Supervisory Committee Members may independently obtain the assistance of lawyers, certified public accountants and other experts as necessary.
- 3) The Directors Who are Audit and Supervisory Committee Members shall exchange opinions with the Internal Audit Department periodically and as needed to strengthen cooperation.
- 4) The Directors Who are Audit and Supervisory Committee Members have the authority to attend meetings, etc. of the Company and its subsidiaries as observers, and to submit agenda items and matters for consideration to the meetings, etc.

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

The Group's Basic Policy on Anti-Social Forces stipulates that as part of the system to ensure that the execution of duties by directors and employees is in compliance with laws and regulations as well as the Articles of Incorporation, the Group will take a firm and organized stance against anti-social forces that pose a threat to the order and safety of civil society, in cooperation with lawyers, the police, and other parties. The Group discloses this on its website as part of its efforts to block relationships with anti-social forces.

The Company is a member of the Association for the Prevention of Special Violence in the Tokyo Metropolitan Police Department (Council for the Prevention of Special Violence in the Shibuya Area) and the Tokyo Citizens' Center for the Promotion of the Movement to Expel Organized Crime Groups, and its securities subsidiaries are members of the Tokyo Citizens' Center for the Promotion of the Movement to Expel Organized Crime Groups, and the Company is working to develop systems to eliminate anti-social forces within the Group.

The Basic Policy on Anti-Social Forces and the Ethics Code, which are the internal rules of securities subsidiaries, also stipulate that the Company shall take a firm stance against forces and organizations that engage in anti-social activities and shall not conduct any transactions with them. In addition, the Company periodically conducts internal training for all officers and

employees of the Company and its subsidiaries on how to respond to anti-social forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	No
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Supplementary Explanation for Applicable Items

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2. Other Matters Concerning the Corporate Governance System

The Company believes that in order to establish effective corporate governance and internal controls, it is important to clarify its corporate philosophy and management policy, and to strive for continuous improvement in line with them.

Based on the so-called PDCA cycle, we recognize that it is our continuing challenge to make it our corporate culture to continuously aim for further improvement by making planning, execution, audit and review one cycle.

(Overview of the Timely Disclosure System)

1. Basic Policy

The Company, as a listed company, has established the Information Disclosure Rules to conduct fair, timely and appropriate disclosure. The basic principles of the Company are to continuously conduct highly transparent information disclosure based on the Rules, to prevent insider trading and contribute to fair price formation, and not only to comply with laws and regulations but also to actively fulfill its accountability. Furthermore, we publish these for investors as part of our disclosure policy.

2. Internal System

To implement the above basic policy, the Company has established the following information disclosure system led by the person in charge of handling information.

First, to appropriately recognize facts related to timely disclosure, the Company's officers strive to understand the purpose of laws and regulations, requirements, and the importance of disclosure through meetings where material information can be shared, such as the Board of Directors, the Executive Committee, and the Corporate Governance Committee.

In addition, by establishing regular and ad hoc communication channels between the Company and its subsidiaries, the Company strives to grasp material information generated by consolidated subsidiaries in a timely and appropriate manner.

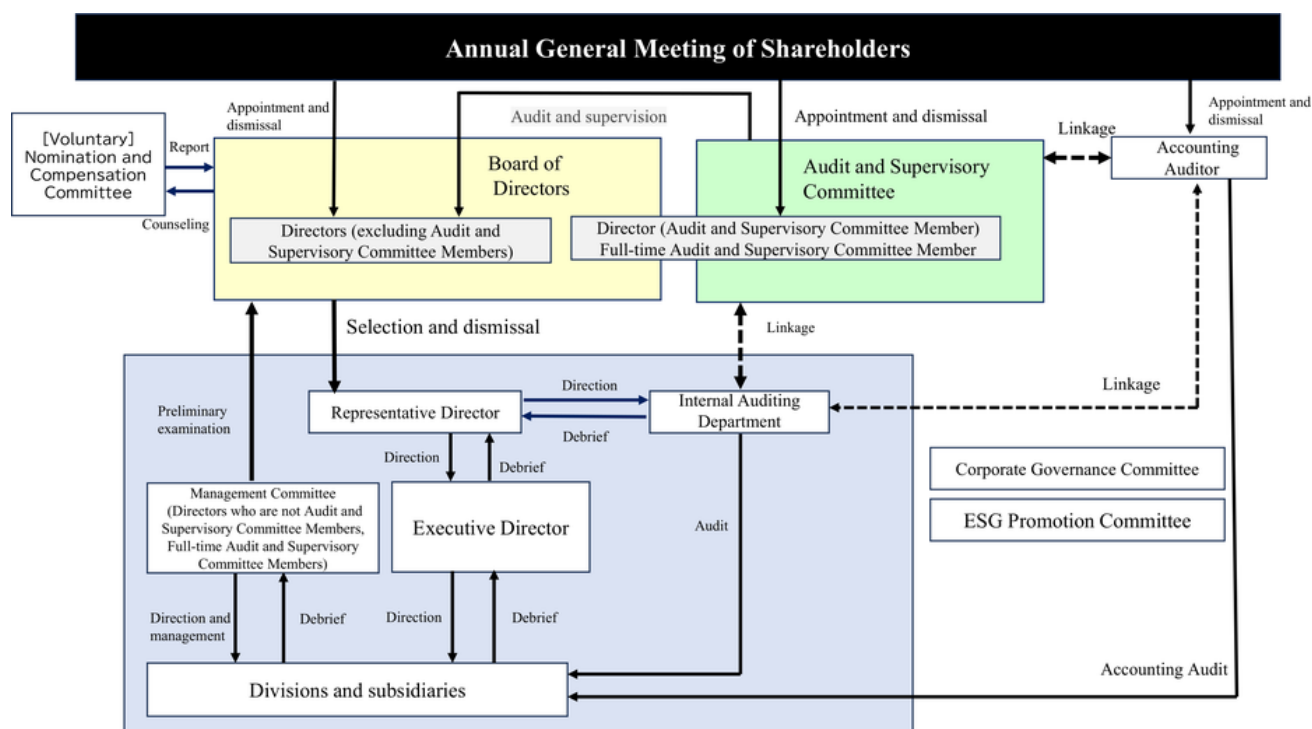
Second, with regard to the actual execution, in the case of a determined fact (including financial information), it is subject to the decision of the decision-making body, and in the case of a fact that has occurred, subject to the recommendation of the IR and Public Relations Department, the department in charge of disclosure operations prepares disclosure documents, and after legal, financial, and IR and Public Relations Departments checks them, the Information Handling Officer makes a decision and decides whether or not to disclose.

In addition, after it is determined that information should be disclosed in a timely manner, the Company has established a system to promptly execute the prescribed procedures based on the Company's Information Disclosure Regulations, such as disclosure on the Electronic Disclosure System of the Tokyo Stock Exchange, posting on the Company's website, and posting on the Tokyo Stock Exchange's website.

Third, the Internal Audit Department conducts ex-post facto checks to determine whether the Company's system for timely disclosure and the status of its execution are appropriate considering laws, regulations, and the Company's rules, and gives consideration to the development of a system that can be expected to be continuously improved.

References

Corporate Governance Structure



Board Skill Matrix

Name	Title	Corporate Management / Business Strategy	Financial business experience	Marketing / Sales	Global business	Legal / Compliance	Finance / Accounting / Tax	Governance / Internal Control / Risk Management
Takayuki Kanamaru	Representative Director, Chairman and President	●	●					
Takeshi Kanamaru	Representative Director, Executive Vice President	●		●	●			
Masayuki Niizuma	Executive Managing Director	●	●			●	●	
Masashi Ichikawa	Outside Director						●	●
Daisuke Kawabata	Outside Director					●		●
Atsuko Yamakawa	Outside Director	●	●	●	●			●
Shinichi Omata	Director (Full-time Audit and Supervisory Committee Member)		●					●
Hiroshi Sugekawa	Outside Director (Audit and Supervisory Committee Member)						●	●
Kenta Asaeda	Outside Director (Audit and Supervisory Committee Member)					●		●