December 21, 2018

Fuyo General Lease Co., Ltd.
President & Chief Executive Officer: Yasunori Tsujita
Ticker: 8424, First Section, Tokyo Stock Exchange
Inquiries: Atsuko Saito,
General Manager, Corporate Communication Division
Tel: +81－3－5275－8891

Notice of Revision of "Corporate Governance and Guidelines"

Fuyo General Lease Co., Ltd. revised the "Corporate Governance and Guidelines" at the Board of Directors meeting held on November 28, 2018 as the response to the Tokyo Stock Exchange, Inc. "Corporate Governance Code" revised on June 1, 2018 .We are pleased to inform you that it is in force today.

For details, please refer to the attached "Corporate Governance and Guidelines".

Corporate Governance Guidelines

Established: September 28, 2015
Last amended: December 21, 2018

Fuyo General Lease Co., Ltd.

Introduction

These Guidelines set out the basic concept, framework, and operating policy for corporate governance at Fuyo General Lease Co., Ltd. (the “Company”) for the purpose of promoting sustainable growth and the increase of the corporate value of the Company over the medium to long term, in keeping with the intent and spirit of the Japan’s Corporate Governance Code, incorporated as an Exhibit to the Securities Listing Regulations established by the Tokyo Stock Exchange.

Chapter 1 General Provisions

(Basic Concept of Corporate Governance)

Article 1

The Company believes that placing importance on relationships with shareholders, customers, employees, local communities, and various other stakeholders and engaging in honest and fair business activities in accordance with the Company’s Management Philosophy set forth below is the foundation of corporate governance and the most important task of management.

<Management Philosophy>

- Support our customers’ business activities and contribute to the community through the leasing business.
- Always give first priority to the customer and provide the best service.
- Pursue creativity and innovation, aiming to become a corporation valued by its shareholders and by market participants.
- Foster self-motivated, energetic employees, and create rewarding workplaces.

(Code of Business Conduct)

Article 2

The Company has established the Fuyo General Lease Group Code of Corporate Conduct as a code of ethics, and the directors, executive officers, and employees of the Company and the Fuyo General Lease Group (the “Group”) faithfully comply with the Code and put it into practice.

Chapter 2 Securing the Rights and Equal Treatment of Shareholders

(Securing Equal Treatment of Shareholders)

Article 3

The Company secures effective equal treatment for all shareholders and strives to

secure shareholder rights and develop an environment in which shareholders can exercise their rights appropriately.

(General Meeting of Shareholders)

Article 4

The Company recognizes that the General Meeting of Shareholders is an opportunity for constructive dialogue with shareholders, strives for enhancement of dialogue with shareholders and accurate and timely information provision, and develops an appropriate environment for the exercise of voting rights, etc., at the General Meeting of Shareholders.

(Dialogue with Shareholders)

Article 5

1. The Company fairly and appropriately discloses information concerning the Company's business strategies and financial standing through Investor Relations activities and enhances dialogue to gain trust and appropriate evaluation from shareholders and investors.
2. For the purpose of the preceding paragraph, the Company appoints an investor relations officer to assume this duty and has established the Corporate Communications Office within the Corporate Planning Division, which undertakes cross-organizational information gathering from the Company and Group companies and engages in Investor Relations activities.
3. Valuable information gathered through these Investor Relations activities is fed back to the Board of Directors as necessary to contribute to the enhancement of corporate value.
4. The Company has established a disclosure policy concerning information disclosure (including the handling of undisclosed material facts) and discloses information.

(Basic Policy on Cross-Holding of Shares and the Exercise of Voting Rights Pertaining to Cross-Shareholdings)

Article 6

1. With regard to cross-shareholdings other than pure investments, the Company has a policy of holding stocks for which there is a business purpose or necessity, such as maintaining or strengthening business alliances or relationships, and that are considered to contribute to the increase of the corporate value of the Group in the future.

2. With regard to shares of other listed companies held as cross-shareholding, the Board of Directors annually compares the benefits and risks associated with each individual issue against other factors, such as the cost of capital, and verifies its medium- and long-term economic rationality and future outlook. For any stock the Board of Directors determines as a result of the verification that holding is not meaningful, the Company will work to reduce the cross-holding by selling the shares.
3. The Company exercises voting rights for cross-shareholdings after comprehensively considering factors such as financial results and other status, whether the content of proposals conforms to the Group's purpose of holding, and particularly for proposals of organizational restructuring, anti-takeover measures, and capital increase or decrease, whether or not it would contribute to maintaining and increasing the corporate value of investee companies, or raise concern about unreasonable damage to shareholder value.

(Related Party Transactions)

Article 7

In principle, the Company engages in transactions with major shareholders and other related parties under normal trading terms and conditions. If a director engages in a transaction under special or unusual trading terms and conditions, or a transaction that conflicts with the Company's interest, the director must obtain approval of the Board of Directors.

Chapter 3 Responsibilities of the Board of Directors

(Roles and Responsibilities of the Board of Directors)

Article 8

1. The Board of Directors is responsible for the company's decision making concerning important matters of business execution and oversees the directors' and executive officers' execution of duties.
2. Bearing in mind its fiduciary responsibility and accountability to shareholders, the Board of Directors appropriately fulfills its roles and responsibilities, including the following matters, to promote sustainable growth and the increase of the corporate value of the Company over the medium and long term and to enhance profitability and capital efficiency.

(1) Indicating the Company's vision;

(2) Undertaking the development of systems to ensure the appropriateness of operations, including establishing an environment that supports appropriate

risk-taking by senior management; and

(3) Carrying out effective oversight of management from an independent and objective point of view.

3. The Board of Directors endeavors to foster a climate where free, open and constructive discussions and exchanges of views take place, including the raising of concerns by outside directors.

4. The Board of Directors carries out appropriate and efficient institutional operation based on separately stipulated Board of Directors Regulations (Note 1) in addition to matters stipulated by laws and regulations or the Articles of Incorporation.

(Composition of the Board of Directors)

Article 9

1. The Company endeavors to ensure that the Board of Directors as a whole has a balanced composition of diverse knowledge and professional expertise and achieve diversity in respect of gender and nationality, while maintaining an appropriate number of members to enable effective and efficient performance of the Board of Directors' functions within the maximum number stipulated in the Articles of Incorporation.

2. The Board of Directors has established and disclosed Standards for The Independence of outside directors or outside audit & supervisory board members ("Independence Standards"; see the Annex) in accordance with the independence standards prescribed in the Guidelines for Listing Management established by the Tokyo Stock Exchange.

3. The Board of Directors shall ensure discipline with due consideration to protection of the rights of shareholders and the interests of general shareholders and shall appoint two or more independent outside directors to strengthen management decision-making and the oversight function from an outside perspective.

(Qualification for Directors and Nominating and Dismissing Procedure)

Article 10

1. The Company's directors shall be persons having superior character, discernment, capabilities, and considerable experience as well as high ethical standards.

2. In appointing director candidates, the Company makes judgments chiefly on the basis of personal character, without regard to gender, age, nationality, or other attributes, but also considers diversity.

3. To ensure fairness and transparency, the Board of Directors determines director candidates following deliberation by the Nomination and Compensation Advisory

Committee provided for in Article 12 of these Guidelines.

4. In case that any director of the Company no longer meets the Company's appointment criteria set forth in Paragraph 1 above or is found not sufficiently fulfilling expected duties, the Board of Directors determines a proposed removal of special title of the director or dismissal of the director following deliberation by the Nomination and Compensation Advisory Committee.

(Qualification for Audit & Supervisory Board Members and Nominating Procedure)

Article 11

1. The Company's audit & supervisory board members shall be persons having superior character, discernment, capabilities, considerable experience and high ethical standards as well as necessary knowledge of finance, accounting and the law. At least one audit & supervisory board member of the Company shall be a person with sufficient knowledge of finance and accounting.

2. In appointing audit & supervisory board member candidates, the Company makes judgments chiefly on the basis of personal character, without regard to gender, age, nationality, or other attributes, but also considers diversity.

3. To ensure fairness and transparency, the Board of Directors determines audit & supervisory board member (including substitute audit & supervisory board member) candidates following deliberation by the Nomination and Compensation Advisory Committee provided for in Article 12 of these Guidelines after obtaining the consent of the audit & supervisory board.

(Establishment of the Nomination and Compensation Advisory Committee)

Article 12

1. The Company has formed the Nomination and Compensation Advisory Committee as voluntary committees of the Board of Directors.

2. The Nomination and Compensation Advisory Committee deliberate on the following matters and report to the Board of Directors.

(1) Appointment of director candidates and audit & supervisory board member candidates, or dismissal of directors and audit & supervisory board members

(2) Compensation for directors;

(3) Succession planning for the president and chief executive officer (president and executive officer);

(4) Amendment or abolition of Corporate Governance Guidelines

(5) Analysis and evaluation of the effectiveness of the Board of Directors as a whole;

(6) Matters concerning advisor, etc. who assumed the post after retiring from representative director and president; and

(7) Other matters referred by the Board of Directors.

3. A majority of the Nomination and Compensation Advisory Committee members shall be independent outside directors.

(Responsibilities of Directors)

Article 13

Directors, aware that they are elected by the shareholders and entrusted with management, owe a duty of care of a prudent manager and duty of loyalty and act in the interest of the Company and the common interests of its shareholders.

(Outside Directors)

Article 14

1. The outside directors recognize that they are expected to fulfill their roles and responsibilities and strive to appropriately execute their duties, particularly from the following perspectives.

(1) On the basis of their knowledge, the outside directors offer appropriate advice from the perspective of achieving sustainable growth and the increase of the corporate value of the Company over the medium to long term.

(2) The outside directors perform management oversight through the appointment and removal of management and other important decision-making by the Board of Directors.

(3) The outside directors perform oversight of conflicts of interest between the Company's management and major shareholders and other parties.

(4) The outside directors appropriately reflect the views of minority shareholders and other stakeholders at Board of Directors meetings from a position of independence from senior management and major shareholders.

2. The outside directors promote cooperation with the audit & supervisory board members, audit & supervisory board, independent accounting auditor, and internal audit division and endeavor to obtain information.

The outside directors, as necessary, exchange information and develop a shared awareness among the outside directors and between the outside directors and outside audit & supervisory board members.

(Responsibilities of Audit & Supervisory Board Members and the Audit & Supervisory Board)

Article 15

1. The audit & supervisory board members and audit & supervisory board, in fulfilling their roles and responsibilities such as auditing the directors' performance of duties, appointing and removing the outside independent accounting auditor, and exercising authority pertaining to audit fee, make appropriate judgments from an independent, objective standpoint and appropriately express their opinions to the Board of Directors or management in keeping with their fiduciary responsibility to shareholders.
2. With respect to the preceding paragraph, the outside audit & supervisory board members recognize that they are particularly expected to express audit opinions objectively and from an independent position, in keeping with their independence and the reason for their election, and endeavor to appropriately execute their duties.

(Independent Accounting Auditor)

Article 16

1. The Company, recognizing that the independent accounting auditor plays an important role in ensuring the reliability of financial reporting through accounting audits, appropriately determines the appointment, removal, and non-reappointment of the independent accounting auditor at the audit & supervisory board.
2. The Company endeavors to provide the independent accounting auditor with an audit environment that makes possible high-quality auditing, such as providing opportunities for interviews with senior management, audit & supervisory board members, and other departments necessary at the time of auditing and ensuring sufficient auditing time.

(Director and Audit & Supervisory Board Member **Training)**

Article 17

1. The Company provides directors and audit & supervisory board members newly appointed from outside the Company with opportunities to acquire necessary knowledge of the Company's business lines, financial position, organization, and other matters within a reasonable period after taking office.
2. So that the directors and audit & supervisory board members appropriately perform the roles and responsibilities expected of them, the Company provides opportunities to acquire knowledge on matters such as their legal authority and responsibilities for the purpose of deepening understanding of their roles and responsibilities. The Company also utilizes training from external organizations as necessary and assists with the cost.

(Evaluation of Board of Directors Effectiveness)

Article 18

The Board of Directors analyzes and evaluates the effectiveness of the Board of Directors as a whole each year, discloses a summary of the results, and undertakes necessary improvements.

(Compensation for Directors)

Article 19

1. With regard to compensation for directors, the Company has separately established the Executive Compensation Regulations, has increased incentive and motivation to improve the Company's business performance and increase the share price by increasing linkage between compensation and business performance and shareholder interests, and, from the perspective of promoting achievement of the company objective "Securing stable business performance and growth and increasing corporate value," has introduced performance-linked compensation and stock compensation as variable compensation in addition to basic compensation paid as fixed compensation (Note 2).
2. Compensation for outside directors and audit & supervisory board members consists of fixed compensation only, since the concept of short-term incentives and equity compensation is unsuitable.
3. Compensation for directors is decided by the Board of Directors within the annual maximum compensation amount resolved by the General Meeting of Shareholders after objectivity and transparency have been ensured through deliberation by the Nomination and Compensation Advisory Committee stipulated in Article 12 of the appropriateness and reasonableness of the amount calculated in accordance with the provisions set out in Paragraph 1.

(Amendment and Abolition)

Article 20

The Board of Directors determines an amendment or abolition of these Guidelines following deliberation by the Nomination and Compensation Advisory Committee.

End of Document

Note 1

The Company has stipulated in the Board of Directors Regulations important matters of Board of Directors operation, such as the rules for holding and convening meetings and resolution. The principal matters that the Board of Directors itself resolves are as follows, and the Board delegates other matters to the president and chief executive officer (a representative director).

1) Determination and alteration of the medium-term management plan, annual management plan
2) Convocation of the General Meeting of Shareholders and proposals submitted at the General Meeting of Shareholders
3) Appointment and removal of representative directors and directors with special titles
4) Appointment and dismissal of executive officers, managers, and other key employees and appointment and removal of executive officers with special titles
5) Approval of transactions conducted between directors and the Company
6) Approval of competitive transactions of directors
7) Important matters relating to shares
8) Issuance of bonds
9) Capitalization of legal reserve
10) Establishment, amendment and abolition of important regulations
11) The establishment, changes, and abolition of branch offices and other important structures
12) The disposal and acquisition of important assets
13) Borrowing in a significant amount
14) Approval of the financial statements and consolidated financial statements
15) The development of systems necessary to ensure the propriety of operations
16) Establishment, amendment and abolition of Corporate Governance Guidelines
17) Important matters related to business execution
18) Matters delegated to the Board of Directors by resolution of the General Meeting of Shareholders (e.g. determination of remuneration of directors)
19) Other matters stipulated by laws and regulations, the Articles of Incorporation, or resolutions of the General Meeting of Shareholders
20) Other important matters the directors deem should be referred to the Board of Directors

Note 2

1. Compensation paid to executive directors and executive officers consists of the following three components:

   1) Basic compensation;

   2) Performance-linked compensation (short-term incentive compensation (annual bonus); and

   3) Stock compensation (medium- to long-term incentive compensation (Board Benefit Trust).

2. The mix of basic compensation to variable compensation is 1 to 0.6.

The ratio of performance-related compensation to stock compensation is 5:7.

Annex

Independence Standards

The Company's Board of Directors considers that an outside director or outside audit & supervisory board member (collectively "outside officer") who falls under any of the following items does not satisfy the independence requirements for outside officers.

1. An executing person of the Company or its consolidated subsidiary (the "Group")
2. A person whose major business partner is the Group or an executing person of such person
3. A major business partner of the Group or an executing person of such person
4. A consultant, accounting professional, or legal professional receiving a significant amount of money or other assets from the Group other than executive compensation (if the entity receiving such assets is a corporation, association or other organization, this refers to a person belonging to such organization)
5. A major shareholder of the Company or an executing person of such shareholder
6. A person who receives a significant amount of donations from the Group or an executing person of such person
7. An executing person of another company with a mutual appointment relationship of outside officers
8. A person whose close relative ("close relative" means a relative within the second degree of kinship) falls under any of items 1 to 7 above (limited to a person in an important position except for items 4 and 5)
9. A person who has fallen under any of items 2 to 8 above during the past three years
10. The criteria to determine independence in items 1 to 7 above at the discretion of the Company shall be as follows.

Even if independence has been formally compromised, if it is determined after comprehensive consideration of factors including other sound reasons that there is substantive independence, the Company may recognize independence by making clear the reasons.

(1) The Company recognizes the independence of persons who in the past have fallen under item 1 above if they satisfy the eligibility requirements for outside officers stipulated in Article 2 of the Companies Act.

(2) With regard to the interpretation of "major business partner" in items 2 and 3 above, the Company deems a person is a major business partner in cases where there are continuing (including cases where continuation is expected) transactions amounting to 1% or more of annual consolidated total revenues in the most recent

fiscal year related to the receipt of money or other assets in connection with the provision of services, etc.

(3) With regard to the criterion for “a significant amount of money or other assets” in 4 above, the Company determines independence according to whether or not a person has obtained benefits of 10 million yen or more in money or other assets per year on average over the past three years.

(4) “Major shareholder” in item 5 above refers to a shareholder whose percentage of voting rights exceeds 10%.

(5) With regard to “a person who receives a significant amount of donations from the Group or its executing person” in 6 above, if the Group has made donations exceeding 10 million yen per year on average over the last three years, there is deemed to be doubt about independence.

(6) If a close relationship with a “company with a mutual appointment relationship” in item 7 above is recognized, such as if both companies reciprocally elect officers on a continuing basis and the other company does not have multiple outside officers other than those from the Company, there is deemed to be doubt about independence.

End of Document