Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. WealthNavi Inc. assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Corporate Governance Report

Last Update: March 26, 2021
WealthNavi Inc.
Kazuhisa Shibayama, CEO and Representative Director
Contact: Corporate Planning: 03-6632-4911
Securities Code: 7342
https://corp.wealthnavi.com/en

The corporate governance of WealthNavi Inc. (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

With the mission of "Helping working families build wealth," the Company offers a fully automated robo-advisor called "WealthNavi" which helps working families in Japan make long-term investment with a globally diversified portfolio and build wealth for their comfortable retirement. The Company recognizes the importance of sustainable growth as well as improvement of mid- to long-term corporate value on top of securing transparency and objectivity of the management. The Company also believes that the enhancement of corporate governance is one of the most important issues of the Company's management. The Company also recognizes that, based on the belief of giving top priority to customer benefits and convenience, gaining a high level of the trust from society is essential to continue the business, and that such a philosophy will lead to the maximization of corporate value.

Accordingly, the directors, auditors and employees strive for the fulfillment of corporate governance by understanding their roles and by continuously trying to maintain and improve the awareness of laws, social norms, and ethics, etc. required of a financial institution, and by securing transparency and objectivity of business activities. Moreover, the Company has been working on reinforcing its corporate governance by establishing voluntary bodies such as the Risk Compliance Committee and the Investment Committee in addition to the bodies required by the Companies Act.

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

The Company has complied with all five basic principles of the Corporate Governance Code.

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
Kazuhisa Shibayama	1,0461,900	23.26
SBI Holdings, Inc.	3,162,540	7.03
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	1,209,800	2.69
Innovation Platform 1 Investment Limited Partnership	1,175,088	2.61
INFINITY E. VENTURES ASIA III, L.P.	1,032,700	2.29
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON TREATY ACCOUNT 15.315 PCT	985,300	2.19

Japan Co-Invest II Limited Partnership	822,561	1.82
SBI SECURITIES Co., Ltd.	805,700	1.79
SSBTC CLIENT OMNIBUS ACCOUNT	789,400	1.75
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	787,610	1.75

Supplementary Explanation

Coupland Cardiff Asset Management LLP reported in the Change Report Possession of Large Volume submitted on January 7, 2021 that, as of December 29, 2020, it owned 2,258,100 shares of the Company (5.02% of total number of shares issued). However, the Company did not include the firm's name in the list above as the Company could not confirm the beneficial shares ownership as of December 31, 2020.
Also, Coupland Cardiff Asset Management LLP reported in the Change Report Possession of Large Volume submitted on February 15, 2021 that, as of February 5, 2021, it owned 2,762,600 shares of the Company (6.06% of total number of shares issued).

3. Corporate Attributes

Listed Stock Market and Market Section	Mothers section of the Tokyo Stock Exchange
Fiscal Year-End	December
Type of Business	Securities & Commodity Futures
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	Less than 100
Sales (consolidated) as of the End of the Previous Fiscal Year	Less than ¥10 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Less than 10

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

—

5. Other Special Circumstances which may have Material Impact on Corporate Governance

—

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

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board (*Kansayakukai Secchi Gaisha*)

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	10
Term of Office Stipulated in Articles of Incorporation	2 years
Chairperson of the Board of Directors	CEO and Representative Director
Number of Directors	4
Number of Outside Directors	2
Number of Independent Directors	2

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Sumito Togo	From another company								○			
Ogawa Maki	From another company								○			

* Categories for "Relationship with the Company"

* "○" 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;
"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Sumito Togo	○	Mr. Sumito Togo is a Director and the CFO of freee K.K. Although the Company uses services provided by that company, the transaction amount for the fiscal year ended December 31, 2020 relating the business relationship is less than 5% of the Company's total operating revenue. Therefore, the Company determines that the transactions do not have any impact on his independence.	Mr. Togo has abundant experience related to management and finance in the Internet industry, and the Company has appointed him an Outside Director in order to utilize his knowledge and experience and receive his supervision and suggestions.
Ogawa Maki	○	Ms. Ogawa is a member of Board of Directors of Sony Bank, Inc. which has business relationship with the Company through offering of "WealthNavi for Sony Bank," the transaction amount for the fiscal year ended December 31, 2020 relating the business relationship is less than 5% of the Company's total operating revenue. Therefore, the Company determines that the transactions do not have any impact on her independence.	Ms. Ogawa has gained rich experience over the long period at the financial institutions, and the Company has appointed her an Outside Director with the expectation that she will supervise management and make recommendations based on her knowledge and experience.

[Audit & Supervisory Board Members (*Kansayaku)*]

Establishment of Audit & Supervisory Board (*Kansayaku* Board)	Established
Maximum Number of Audit & Supervisory Board Member (*Kansayaku)* Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board (*Kansayaku* Board) Member	3

Cooperation among Audit & Supervisory Board Members (*Kansayaku)*, Accounting Auditors and Internal Audit Departments

In order to improve the effectiveness and efficiency of audits, the Audit & Supervisory Board create opportunities whenever necessary to exchange opinions with Accounting Auditors, receives reports about audit planning, the state of performance of duties and the results of such matters, listens to Accounting Auditors' opinions, and strives to cooperate and conduct mutual exchanges of information and opinions. The

Audit & Supervisory Board and Internal Audit Department also strives to maintain close relationship and to conduct systematic and effective audits.

Appointment of Outside Audit & Supervisory Board Member (*Kansayaku)*	Appointed
Number of Outside Audit & Supervisory Board Member (*Kansayaku*)	3
Number of Independent Audit & Supervisory Board Member (*Kansayaku)*	3

Outside Audit & Supervisory Board Members' (*Kansayaku*'s) Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Akira Enomoto	From another company													○
Eriko Matsuno	Attorney													○
Sachihiko Fujimoto	Certified Public Accountant and Tax Accountant													○

* Categories for "Relationship with the Company"

* "○" 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;
"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. Audit & Supervisory Board Member (*Kansayaku*) of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board Member (*kansayaku)*
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the *kansayaku* himself/herself only)
k. Executive of a company, between which and the Company outside directors/ Audit & Supervisory Board Member *(kansayaku)* are mutually appointed (the Audit & Supervisory Board Member (*kansayaku*) himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board Member (*kansayaku*) himself/herself only)
m. Others

Outside Audit & Supervisory Board Members' (*Kansayaku*'s) Relationship with the Company (2)

Name	Designation as Independent *Kansayaku*	Supplementary Explanation of the Relationship	Reasons for Appointment
Akira Enomoto	○	―	Mr. Enomoto has many years of extensive experience at financial institutions, and the Company has appointed him as an Outside Audit & Supervisory Board Member in order to have him reflect that experience in the Company's audits, from an objective and neutral position.
Eriko Matsuno	○	―	Ms. Matsuno has extensive experience as an attorney at law firms and a considerable degree of knowledge about legal affairs related to financial institutions. The Company has appointed her as an Outside Audit & Supervisory Board Member in order to have her reflect that experience in the Company's audits, from an objective and neutral position.
Sachihiko Fujimoto	○	―	Mr. Fujimoto, a qualified Certified Public Accountant and a Tax Accountant, has experience in audit work at an auditing firm and a tax accountant corporation as well as experience in accounting and tax consulting for financial businesses and financial products and transactions. He has a considerable degree of knowledge about financial matters and accounting. The Company has appointed him as an Outside Audit & Supervisory Board Member in order to have him reflect that experience in the Company's audits, from an objective and neutral position.

[Independent Directors]

Number of Independent Directors	5

Matters relating to Independent Directors

Every person eligible to be an Independent Officer has been appointed an Independent Officer.

[Incentives]

Incentive Policies for Directors	Implemented a stock option program, others

Supplementary Explanation

A stock-option program has been introduced for the purposes of increasing morale and motivation for improving business results and improving med-term corporate value.
The Board of Directors, at the Board of Directors' meeting held on February 25, 2021, resolved to amend its executive compensation system and to introduce a restricted share compensation plan, and at the 6th Annual General Meeting of Shareholders held on March 26, 2021, the establishment of remuneration to grant restricted shares to directors under the restricted share compensation plan for the purpose of providing directors of the Company was resolved.

Recipients of Stock Options	Internal Directors / Outside Directors / Outside Audit & Supervisory Board Members (*Kansayaku*) / Employees / Other

Supplementary Explanation

Stock options are granted to the aforementioned eligible recipients for the purposes of increasing morale and motivation for improving business results and improving medium-term corporate value.

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	No Individual Disclosure

Supplementary Explanation

Since no Directors receives remuneration of JPY 100 million or more in total, individual Directors' remuneration is not disclosed. The total amount of remuneration for Directors and Audit & Supervisory Board Members is disclosed for each respective classification.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

For the purpose of evaluating whether the remuneration is adequate to secure the director necessary in order to achieve sustained growth and to ensure objectivity and transparency of the remuneration decision-making process, etc., the method of determining remuneration amount and calculation method is explained and an appropriate advice from Outside Directors is provided at the Board of Directors meeting.
In addition, the remuneration for the Company's Directors is a combination of basic remuneration and (non-cash) stock-price-linked remuneration, and the amount of an individual Director's remuneration shall be determined at the Board of Directors in accordance with the remuneration decision-making policy within the range of the remuneration limit resolved at the General Meeting of Shareholders.

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members (*Kansayaku)*]

Dedicated employees are not assigned in relation to Outside Directors and Audit & Supervisory Board Members, but the Corporate Group serves as a contact point and provides support as necessary.

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

a. Board of Directors
The Company's Board of Directors is composed of four Directors (including two Outside Directors), and it has the authority to adopt resolutions for important matters and supervises Directors' execution of duties, based on the "Rules of the Board of Directors." The Company has invited Mr. Sumito Togo and Ms. Maki Ogawa as an Independent Officer and is promoting a management system that makes it possible to improve the soundness and transparency of management decision-making. In principle, the Board of Directors holds a regular meeting of the Board of Directors once a month, and it flexibly holds extraordinary meetings of the Board of Directors as necessary.

b. Audit & Supervisory Board

The Company has established an Audit & Supervisory Board. The Audit & Supervisory Board comprises three Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members), and it audits Directors' daily activities, including their execution of duties. The Audit & Supervisory Board Members include members who have experience as an accountant, a tax accountant and an attorney, and they utilize their knowledge to express objective opinions from an independent and neutral position. Audit & Supervisory Board Members conduct effective monitoring by attending the General Meetings of Shareholders and meetings of the Board of Directors and exercising their legal rights of receiving reports from Directors, employees and the Company's accounting auditor and such that a full-time Audit & Supervisory Board Member attends management meeting. In principle, the Audit & Supervisory Board holds a regular Audit & Supervisory Board meeting once each month and holds meetings extraordinarily as necessary.

c. Internal Audits
The Internal Audit Department (two employees) audits adequacy of the Company's business, and for the purpose of ensuring the effectiveness and efficiency of its audit work, the Internal Audit Department performs audits based on annual internal audit plans and reports audit results to the Representative Director as well as to Audit & Supervisory Board Members, management meetings and the Board of Directors. The Internal Audit Department shares audit results and instructions for improvement with each audited department and confirms the progress of improvement on an ongoing basis and reports the results of the follow-ups at management meetings.

d. Accounting Auditors
The Company has concluded an auditing contract with KPMG AZSA LLC. There are no particular conflicts of interest between the Company and that audit firm and/or its employees who execute audits on the Company.

e. Management Meetings
The Company's Management Meeting comprises the Representative Director, who also serves as the chairperson of the Management Meeting, Directors (excluding Outside Directors), a full-time Audit & Supervisory Board Member, executive officers, the person responsible for internal management and control, and the person designated by the chairperson or the person responsible for internal management and control. Management Meetings are generally held once a week. The Company strives to make management activities more efficient through discussions related to management in general and deliberation about important business matters.

f. Risk Compliance Committee
The Company has established a Risk Compliance Committee as an organization for conducting discussions and considerations related to the promotion of risk management and compliance. The Committee comprises the Representative Director, who also serves as the chairperson, Directors (excluding Outside Directors), the person responsible for internal management and control, the head of the Corporate Group, and the person designated by the chairperson or the person responsible for internal management and control.
In principle, meetings of Risk Compliance Committee are held once each quarter and are also held flexibly and extraordinarily as necessary. The Risk Compliance Committee discusses the Company's related to risk management and compliance, organizational systems, formulation/revision/abolition of the Company's rules etc., monitoring of compliance with laws and regulations, education and training plans to increase awareness of compliance, and discussions related to risk management.

g. Investment Committee
The principle of the Company's business operations is to faithfully conduct business activities for customers. The Company has established Investment Committee in order to execute investment management that aligns interest of customers and to properly handle changes in the external environments such as the economic environment and the market environment that may affect the Company's investment management operations. The Investment Committee comprises the person responsible for the Research & Quants Department, who also serves as the chairperson, the Representative Director, who also serves as the vice chairperson, and members who are outside experts in domestic and foreign investment theories and asset management. The chairperson and members are appointed by the Representative Director based on approval by the Board of Directors.

In principle, Investment Committee meetings are held once each quarter, and the Committee verifies the appropriateness of recommendation algorithms for optimal portfolios, gives advice to the Company's Research & Quants Department in times of sudden changes of the market environment, verifies the actual investment performance of optimal portfolios, and conducts other verifications and gives advice for matters that are necessary in order to appropriately operate investment management business.

h. Reward and Punishment Committee
The Company's Reward and Punishment Committee chaired by the Representative Director consists of members selected by the Representative Director. Reward and Punishment Committee meetings are held whenever a case corresponding to the "Rules of Employment" arises. This Reward and Punishment Committee conducts resolution related to cases concerning commendations and discipline and has been established for the purpose of ensuring fairness in the rewards and punishments for the Company's employees.

i. Executive Officer System
The Company has introduced an Executive Officer System in order to reinforce execution of the Company's business operations. Executive officers selected by the Board of Directors execute their operations under their control. An executive officer's term of office is until the time of the conclusion of the annual General Meeting of Shareholders for the last business year that ends within one year after the executive officer's appointment.

3. Reasons for Adoption of Current Corporate Governance System

Based on the "Basic Views on Corporate Governance," decision-making authority and responsibility for business execution is centralized at the Board of Directors, and the Audit & Supervisory Board Members and the Audit & Supervisory Board, which are independent from business execution and the Board of Directors, audits and supervises the Board of Directors. The Company thereby realizes appropriate management decision-making and business execution and secures the function of a check-and-balance system as a company with an Audit & Supervisory Board.
Specifically, the Company has appointed Outside Directors (two directors) and Outside Audit & Supervisory Board Members (three members). The Outside Directors are responsible for management supervision to monitor appropriateness of decision-making and promote efficiency in management. Also, experts who have diverse knowledge and expertise related to finance, accounting and tax matters, risk management and compliance with laws are appointed as the Outside Audit & Supervisory Board Members, and as a result, the Board of Directors and the Audit & Supervisory Board are monitoring management from technical and objective perspectives from independent and fair positions.
In addition, the Company has adopted an executive officer system, and has strengthened the corporate governance system by ensuring the soundness and efficiency of management, separating management supervision functions from business execution functions, by establishing three voluntary expert committees in the form of the Risk Compliance Committee, the Investment Committee, and the Reward and Punishment Committee, and by receiving advice and guidance from external experts such as attorneys, etc. as necessary.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Enhance the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Delivery of Notice of Convocation for the General Meeting of Shareholders	The Company strives to send a convocation notice as early as possible in order to enable shareholders to exercise their voting rights based on sufficient consideration of proposed matters.
Scheduling the General Meeting of Shareholders to avoid peak days	In relation to setting the date of holding a meeting, the Company takes care to avoid dates when general meetings tend to be concentrated so that many shareholders can participate in the Company's meeting.

Exercise of Voting Rights vis Electronic Means	The Company has enabled shareholders to exercise their voting rights over the Internet.
Participation in Electronic Voting Platform	The Company will consider this matter.
Provision of a Convocation Notice in English	A part of the Notice of Convocation of the Annual General Meeting of Shareholders is translated into English and has been posted on the Company's website (https://corp.wealthnavi.com/en/ir/stock).
Other	–

2. IR Activities

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	The Company has disclosed the Disclosure Policy on the IR page (https://corp.wealthnavi.com/ir/disclorepolicy) of the Company's website.
Regular Investor Briefings for Individual Investors	The Company explains about its business and takes opportunity to communicate with individual investors in the General Meeting of Shareholders. The Company will consider holding briefings for individual investors based on the future shareholder composition.
Regular Investor Briefings for Analysts and Institutional Investors	The Company plans to regularly conduct briefings following every quarterly financial results announcement for analysts and institutional investors.
Regular Investor Briefings for Overseas Investors	The Company has held meetings etc. with institutional investors overseas.
Posting of IR Materials on Website	The Company posts financial results and timely disclosure materials, etc. on the IR page (https://corp.wealthnavi.com/ir) of the Company's website.
Establishment of Department and/or Manager in Charge of IR	Corporate Planning team of Corporate Group is responsible for IR
Other	–

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company believes that it is important to gain the trust of the stakeholders such as shareholders, investors and customers, and the Company's code of ethics, compliance manual and fiduciary duty (FD) declaration stipulate that the Company respects its stakeholders.
Implementation of Environmental Activities, CSR Activities etc.	The Company acknowledges that this is a matter that should be considered in the future.
Development of Policies on Information Provision to Stakeholders	The Company proactively discloses information to stakeholders through the Company's website and financial results briefings.
Other	–

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

The Company's Board of Directors has made a resolution to formulate a "Basic Policy on Establishing an Internal Control System" to ensure appropriateness of the Company's business activities, and the Company is currently operating the internal control system in line with that policy. An overview of the systems is as stated below.

1. System to ensure that Directors' execution of duties complies with laws and the Articles of Incorporation
   - The Company establishes "Compliance Manuals" and not only complies with laws but also acknowledges that it is essential for each Director and employee to act with a high degree of ethics to respond to society's trust. The Company also positions thorough compliance as the most important issue for management.
   - The Company manages and promotes matters related to compliance based on the "Rules of Compliance Management."
   - In principle, meetings of the Board of Directors are held once a month based on the "Rules of the Board of Directors," and the Board members communicate and supervise work each other. The Board of Directors also strives to maintain transparency and soundness of management by having Outside Directors participate on the Board of Directors.
   - Directors and employees conduct proper execution of their duties, and internal audits are conducted by the Internal Audit Department which is an independent organization under the direct control of the Representative Director. The Audit & Supervisory Board, which includes Outside Audit & Supervisory Board Members, strives to strengthen supervision of directors and employees based on audit policies established by the Audit & Supervisory Board.
   - Directors and employees strive to maintain a system that strictly avoid any association with antisocial forces.

2. System for storing and managing information about Directors' execution of duties
   - Directors shall appropriately store and manage important information and documents related to execution of duties in accordance with the "Rules of Document Management," and Directors and Audit & Supervisory Board Members shall be able to access those documents at any time.

3. Rules and other systems relating to management of risk of loss of the Company
   - The Company appropriately handles various risks that arise in association with business activities in compliance with the "Rules of Risk Management," and also formulates preventive measures and manages progress of the status. When an abnormal situation occurs, the Company communicates appropriate information promptly, and puts an emergency system in place.
   - For risks related to information security, information management supervisor is assigned, and a risk management system is implemented and continuously improved based on the "Rules of Information Security Management."

4. System to ensure the efficient execution of duties by Directors
   - The Company has adopted an executive officer system in order to promptly handle changes in the management environment, and the Company also conducts appropriate and efficient decision-making and execution of duties, etc. based on the "Rules of Authority for Duties," etc.

5. System to ensure that employees' execution of duties complies with laws and the Articles of Incorporation
   - The Company has established "Compliance Manuals, etc." as codes of conduct for Board members and employees and strives to make such codes of conduct thoroughly understood.
   - For the purpose of preventing the occurrence and the spread of misconduct within the Company, an internal whistleblowing system has been set based on the "Rules of Internal Whistleblowing," and the Company strives to discover violations of laws or the possibility of such violations, in the early stage.

6. Matters pertaining to employees who are requested to assist Audit & Supervisory Board Members in their duties and independence of the relevant employees and matters related to ensuring the feasibility of the Company's Audit & Supervisory Board Members' instructions for those employees
   - In the event that the Audit & Supervisory Board requests employees to assist the Audit & Supervisory Board in their duties, the employees who were designated are to conduct those duties.

- The right to give direction and orders related to auditing work to employees who assist with duties of Audit & Supervisory Board Members is to attribute to Audit & Supervisory Board Members.

7. System for Directors and employees of the Company or a person who received a report from Directors and employees and then report to the Company's Audit & Supervisory Board Members and other reporting system, and a system to ensure that a person who reported to the Company's Audit & Supervisory Board Members will not receive adverse treatment due to the reporting
   - The Board of Directors shall report the Company's matters below to the Audit & Supervisory Board Members and the Audit & Supervisory Board.
     - Matters that may cause significant damage to the Company
     - Important matters related to management situation of each month
     - Important matters related to the auditing situation and risk management
     - Serious violations of laws and the Articles of Incorporation
     - Other important matters related to compliance that are reported by using the internal whistleblowing system
   - Notwithstanding the foregoing, Audit & Supervisory Board Members can request board members and employees to report as necessary.
   - Any adverse treatment of the director or employee who made the report for the reason that the person reported to the Audit & Supervisory Board Members is prohibited.
   - The Company articulates, in written form, that any directors and employees who used the Company's whistleblowing system shall not receive adverse treatment, retaliation, or discrimination, and the Company makes best efforts to ensure privacy and human rights.

8. Procedures for advance payment or reimbursement of expenses that arise for the execution of duties of the Audit & Supervisory Board Members, and other matters related to policies for processing expenses or debts that arise for execution of those duties
   - In the event that an Audit & Supervisory Board Member makes a request for advance payment or a request for settlement of reimbursements for expenses related to the execution of audits, the Company shall make payments immediately.

9. System to ensure the effectiveness of audits by Audit & Supervisory Board Members
   - Based on the "Rules of Audit & Supervisory Board," Audit & Supervisory Board Members attend important meetings and express their opinions, hold regular meetings with the Representative Director, ascertain the Representative Director's management policies, and exchange opinions about tasks that the Company should handle, risks faced by the Company, the status of maintaining the audit environment surrounding Audit & Supervisory Board Members, and important tasks related to audits.
   - Audit & Supervisory Board Members are able to set up an opportunity for individual hearings from Directors and important employees as necessary.

2. Basic Views on Eliminating Anti-Social Forces

In order to maintain transparency as a financial institution and realize sound corporate management, the Company declares that it strictly avoids any association with antisocial forces and has formulated a fundamental policy as follows and posted it on the Company's website.

1. The Company strives to handle antisocial forces with commitment of the Company as a whole and is firmly committed to ensure the safety of employees who handle antisocial forces.
2. The Company collaborates closely on an ongoing basis with outside specialized organizations, including the police, the National Center for Removal of Criminal Organizations, attorneys and the Japan Securities Dealers Association, etc.
3. The Company refuses to have any relationships, including business relationships, with antisocial forces.
4. The Company strictly rejects any unjustifiable requests by antisocial forces and will resolutely take both civil and criminal legal approaches.
5. The Company will never engage in any backdoor deal with or provide any funds to antisocial forces.

The Company organizes a dedicated department in charge to deal with elimination of relationships with antisocial forces and builds up unified management system in order to prevent damages due to antisocial forces. The Company has established "Rules for Eliminating Relationships with Antisocial Forces," a "Manual for Handling of Eliminating Relationships with Antisocial Forces," and "Rules on Money Laundering and Provision of Funds for Terrorism," and has designated the Risk Compliance Department as the department responsible for taking measures to refuse to have any relationships with antisocial forces.

In order to prevent transactions with antisocial forces, the Company conducts appropriate advanced screening of new customers and vendors, etc. by utilizing information related to antisocial forces, and is also taking measures to prevent antisocial forces from becoming transaction partners by incorporating provisions regarding the exclusion of organized crime syndicates in written agreements and transaction agreements.

Specifically, for a new customer, the Risk Compliance Department cross-checks the Company's antisocial forces database and the relevant customer's name and also checks the new customer's name on Internet sites in order to judge whether or not the customer falls under antisocial forces. The Company also conducts cross-checks with the inquiry system related to antisocial forces provided by the Japan Securities Dealers Association.

Furthermore, the Company's board members and employees collaborate closely on an ongoing basis with outside specialized organizations including the police's Center for Removal of Criminal Organizations, the Company's general counsels, and the Japan Securities Dealers Association's Center for Support for Securities Protection Measures and are promoting elimination of transactions with antisocial forces under the appropriate instructions and involvement of the management team. The Company takes due care to avoid providing benefits to antisocial forces as stipulated in the "Rules for Eliminating Relationships with Antisocial Forces." when it cancels transactions with antisocial forces.

Members of the Risk Compliance Department participates in lecture and training sessions held by the Financial Services Agency, etc. and conducts internal training sessions for the Company's board members and employees concerning guidance on handling of antisocial forces and management of information related to antisocial forces.

V. Other

1. Adoption of Anti-Takeover Measures

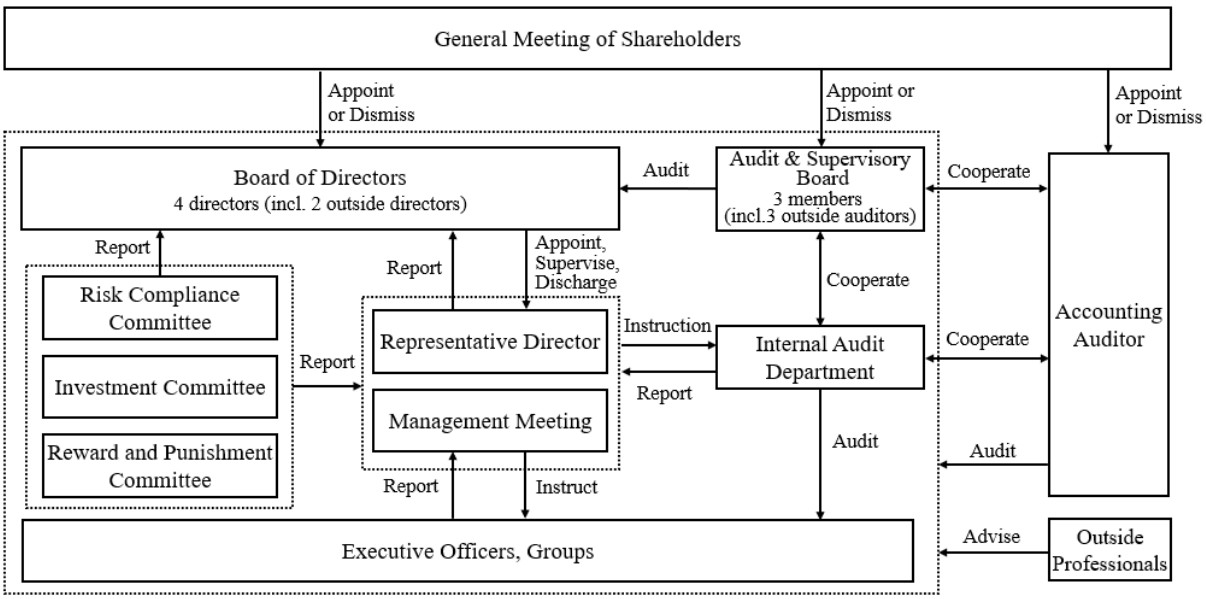
Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation
–

2. Other Matters Concerning to Corporate Governance System

An overview of the Company's corporate governance structure and framework for timely disclosure of IR information is provided below.

[Corporate Governance Diagram]



[Overview of Timely Disclosure System]

