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The corporate governance of Tokyo Kiraboshi Financial Group, Inc. (the "Company") is described below.

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

1. Basic Views

Tokyo Kiraboshi Financial Group, Inc. (hereinafter the "Company") is a holding company based in the Tokyo metropolitan area, comprising 18 consolidated subsidiaries, including Kiraboshi Bank, Ltd. and UI Bank Co., Ltd., and three affiliates. The Company considers corporate governance to be one of the most important management issues, and utilizes the knowledge of outside officers and external experts to strengthen the Group business management system and supervisory functions while enhancing corporate governance functions to make transparent, fair, prompt, and decisive decisions as it conducts business and strives to sustainably increase corporate value. Furthermore, intending to embody our management philosophy and the Group's vision, we established the Basic Policy on Corporate Governance, as described below.

○ Purpose

Giving our all, for TOKYO.

The Kiraboshi Group will fulfill its mission as a unified group by working diligently to resolve the issues facing TOKYO through efforts such as realizing a sustainable society, creating new social values and industries, and responding to issues accompanying the progress in digitalization.

* "TOKYO" symbolizes all the people, regions, and issues to which the Kiraboshi Group provides diverse values, anchored in the metropolitan area with Tokyo at its center.

○ Management philosophy

To be a financial group for small and medium-sized enterprise customers and individual customers in the Tokyo metropolitan area that will contribute to the development of local communities through comprehensive financial services.

○ Kiraboshi philosophy

The Company is building a model for sustainable growth through business restructuring and Group collaboration. To ensure that we achieve this goal, we have established the "Kiraboshi philosophy," guided by the awareness, values, and mindset that are to be shared by all officers and employees, to "accomplish the goals of contributing to society, seeking growth of the organization, achieving self-fulfillment, and realizing one's own happiness." We have also established three action guideline principles for "Kiraboshibito" (people who put the "Kiraboshi philosophy" into practice), as follows.

- An individual with "high aspirations"
- An individual who always thinks "how it can be done"
- An individual who is committed to results, who continuously takes on courageous challenges

○ Basic Policy on Corporate Governance

- The Company's Board of Directors shall decide on important matters such as management policy and business strategy in accordance with the Board of Directors Regulations, etc., and shall endeavor to implement structures to supervise the execution of duties by Directors, including measures such as receiving reports on the status of the execution of duties delegated to the Management Council and individual Directors, as well as other important matters.
- The Company shall endeavor to ensure the appropriate function of the audit and supervision of management and the efficiency of the structure of business execution by effectively utilizing the Company's management supervisory function, through the appointment of highly independent Outside Directors and Outside Audit & Supervisory Board Members, and the audit and supervisory function of the Audit & Supervisory Board and the Members thereof, to enhance the effectiveness of corporate governance. To achieve this, the Company shall adopt the structure of a company with an audit and supervisory board and establish the "Nominating and Compensation Council," a non-statutory committee of which Outside Directors compose at least half the members, and endeavor to ensure the objectivity and transparency of decisions on the appointment of and remuneration for Directors.
- The Company shall establish, by resolution of the Board of Directors, the "Basic Internal Control Policy" to put in place a structure to ensure appropriate business operations, and shall endeavor to enhance the effectiveness of this structure.
- The Company shall endeavor, under appropriate group business management (governance), to accurately manage each form of risk across the entire Group, with the aim of ensuring sound and appropriate business operations at each Group company.
- The Company shall strive to establish corporate ethics based on its social mission as a regional financial group, establish the basic policy of fostering a corporate culture that emphasizes compliance and is acknowledged by shareholders and trusted by customers and society, and endeavor to ensure the soundness and appropriateness of business operations.
- The Company shall take appropriate steps to ensure that the rights of shareholders are effectively secured, such as establishing an environment where all shareholders can appropriately exercise their rights, and strive to ensure the prompt and accurate and fair disclosure of information that will enable a proper understanding of the Company's actual situation, to grow sustainably together with its stakeholders.
- In implementing the purpose, the Company shall strengthen its sustainability initiatives, including contributing to sustainable growth in local communities through the creation of new customer value and social value. Specifically, from the perspective of ESG investment and loans, the Company shall engage in providing financing support for companies needed for the sustainable growth of local communities, and strengthen its association with endeavors such as environmental protection and local sports. By cultivating mutually dependent relationships and a sense of solidarity with local communities, the Company shall strive to realize a sustainable society.

By providing both financial and non-financial services as a unified group centered around Kiraboshi Bank, Ltd., but also including Group companies such as UI Bank Co., Ltd., the Group will strive to further enhance its corporate value by aiming to be a "comprehensive service business that is also strong in finance," pivoting on dialogue with local customers.

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

The Company implements all principles set forth in the Code, as revised on June 11, 2021.

Disclosure Based on the Principles of the Corporate Governance Code

[Supplementary Principle 1.1.1]《Ensuring shareholder rights》

When a considerable number of votes have been cast against a proposal by the Company and the proposal was approved by the General Meeting of Shareholders, the Company's Board of Directors, etc., analyzes the reasons for this and considers the need for shareholder dialogue and other measures.

[Principle 1.3]《Basic capital policy》

The basic capital policy of the Company is to secure a sufficient level of net assets as a holding company of regional financial institutions in order to ensure that Kiraboshi Bank performs its functions to provide a smooth supply of funds, and also to strive to improve capital efficiency by improving profitability and management efficiency.

In addition, the Company regards the return of profits to shareholders as one of the important management measures and will continue to pay stable dividends.

[Principle 1.4]《Cross-shareholdings》

1. Basic policy on cross-shareholdings

(1) Basic views concerning cross-shareholdings

The Group does not hold the shares, etc. of its trading partners or other such associates, in principle, except in cases where it considers that this will contribute to the medium- to long-term enhancement of the corporate value of the Group by maintaining and strengthening trading relationships with its trading partners.

The Board of Directors meets to examine and validate the effect and other aspects of cross-shareholdings at least once per year, from perspectives including the appropriateness of the purpose and economic rationality of the cross-shareholdings, and the comprehensive maintenance and strengthening of relationships with trading partners.

In principle, the Group sells cross-shareholdings not considered meaningful or reasonable, after considering the impact on markets and other relevant factors.

(2) Regular inspections of the meaningfulness and economic rationality of cross-shareholdings

The Board of Directors regularly examines and validates the benefits and risks associated with cross-shareholdings, and their relationship with the cost of capital, in terms of a profitability criterion using the following indicator.

[Profitability indicator] Profit after deducting the cost of credit, divided by the book value of the shares

The Group treats cross-shareholdings for which the profitability criterion is not satisfied as follows. If it is deemed necessary to continue holding the shares from the perspective of comprehensively maintaining and strengthening the relationship with the relevant trading partner, then the Group negotiates to increase or improve profitability. If it is not deemed necessary to continue holding the shares, the Group negotiates to sell them.

(3) Policy on responding to cases in which the cross-shareholding counterparty has indicated an intention to sell the Company's shares

Where the other party to a cross-shareholding has indicated an intention to sell or otherwise dispose of the Company's shares, the Group will not impede this sale or disposal, such as by suggesting that this would lead to a reduction in business transactions.

2. Basic policy on the exercise of voting rights

(1) Basic views concerning the exercise of voting rights

The Group does not decide on how to exercise voting rights based solely on quantitative criteria but makes a comprehensive decision from perspectives including the long-term enhancement of corporate value and the promotion of sustainable growth.

(2) Standards for the exercise of voting rights

When exercising voting rights, the Group determines whether or not to agree to proposals based on its focus on the status of corporate governance and compliance systems at the investee company, and upon consideration of factors such as the performance and the status of shareholder returns. For proposals such as the following, for which it is considered necessary to engage in careful consideration from the perspective of corporate value enhancement, the Group thoroughly investigates factors such as the reason for the proposal and its purpose, and determines whether or not to agree to the proposal with reference to the results of dialogue, etc., with the relevant company, where necessary.

- Mergers, acquisitions, or organizational restructuring such as the transfer, acquisition, or divestiture of important businesses
- Takeover defense measures
- Third-party allotment through the issuance of shares under favorable terms
- The presentation of retirement bonuses to officers of insolvent companies or otherwise poorly performing companies, etc.

Where there is the risk of a conflict of interest in the execution of voting rights, the Group responds appropriately based on its policy on the management of conflicts of interest.

[Principle 1.7]《Related party transactions》

The Group has established the "Basic Policy on the Management of Related Party Transactions" as shown below. Transactions by the Company with its corporate officers, major shareholders, or other such parties (related party transactions) are managed appropriately to prevent any damage to the Company's interests or the common interests of shareholders.

(Purpose)

The purpose of this policy is to ensure the soundness and appropriateness of business operations at each Group company, in accordance with laws, regulations, and other rules, as well as the common interests of shareholders, regarding transactions by the Company with its corporate officers, Group companies (consolidated subsidiaries and equity-method affiliates), major shareholders, and other such parties (related party transactions).

(Definition of related party transactions)

Under this policy, "related party transactions" refer to transactions between the Company and related parties, including the Company's officers, Group companies (consolidated subsidiaries and equity-method affiliates), major shareholders, and others listed under Article 8, Paragraph 17 of the Regulation on Financial Statements.

(Basic stance)

The Company's Board of Directors shall monitor the status of implementation, etc. of related party transactions appropriately, based on appropriate procedures determined by the Company based on the materiality and nature of these transactions, in accordance with laws, regulations, and other rules, to prevent any damage, or risk of damage, to the interests of Group companies or the common interests of shareholders.

(Management system)

- The Company shall appropriately ascertain and manage information on related party transactions, examine and confirm the

rationality, the suitability of terms, etc. of the transactions at meetings of the Board of Directors and other forums, and establish a system of approval by the Board of Directors, etc., as necessary, based on the materiality and nature of the transactions.

- Where related party transactions would damage, or risk damaging, the interests of Group companies or the common interests of shareholders, the Board of Directors, etc. shall implement the necessary measures against the division engaging in the transactions.

[Supplementary Principle 2.4.1]《Ensuring diversity within the Company, including women's participation and advancement》

The Group is actively striving to expand opportunities for the participation and advancement of female employees with ambition and ability, and creating workplaces where they can make full use of their abilities. This includes the appointment of female Outside Directors and Outside Audit & Supervisory Board Members, as well as female Branch Managers and other managers.

In addition to promoting female employees, the Group will respond to increasingly diverse customer needs through measures such as utilizing senior personnel, strengthening the utilization of personnel in the senior age group, strengthening mid-career recruitment, and utilizing external personnel. By recruiting and promoting a wide variety of talents, the Group will ensure diversity and adapt to the changing times.

The Group actively promotes diversity within its organization, including women's participation and advancement, and is creating workplace environments to enable women to maintain a high level of motivation by developing and actively assigning candidates for the next generation of managers.

<Current status and future targets for ensuring the diversity of core personnel at Kiraboshi Bank>

Item	Current status	Target	Deadline for achievement
1) Proportion of managers who are women (section head or above)	18.7%	20.0%	March 2026
2) Proportion of managers who are mid-career hires (section head or above)	20.0%	20.0%	March 2026

The Group has also strengthened the recruitment of foreigners, focusing on graduate recruitment. It is the Group's policy to further strengthen recruitment, including mid-career recruitment, mainly for the digital and consulting divisions. However, as the Group's efforts are mostly focused on graduate recruitment at present, this has not yet led to the appointment of foreigners to management positions, and the Group has not yet established a target.

<Policies on human resources development and enhancement of the internal environment to ensure diversity>

For the Tokyo Kiraboshi Financial Group, "Kiraboshibito" is its most important capital. Group employees, who are the "Kiraboshibito," seek to realize the well-being of customers and local communities as it is each employee's happiness = well-being that increases corporate value.

(Policy on human resources development)

The Group's human resources development is pursued based on the fundamental concept that "each employee enhances own value and contributes to improvement of corporate value." The Group will undertake activities such as various training sessions to encourage employees' autonomous efforts in improving their expertise and strategic personnel assignment to specialized departments, as well as recruitment of specialists with various backgrounds, with the objective of "strengthening individuals" for providing customers with services that are of value to them. Furthermore, we pursue measures to instill and practice the Group's purpose of "Giving our all, for

TOKYO," thereby striving to "develop a corporate culture" that embraces everyone to inspire each other and improve, and fosters mutual respect among colleagues with diverse backgrounds. Through a strategic approach to human resources recruitment, development, and assignment, including promoting the appointment of women to management positions, we will work on creating a virtuous cycle of opportunities for employees to take on challenges leading to delivery of joy to all people living in the local community, and promoting the creation of a system where the growth of employees leads to the growth of the Group.

(Policy on Enhancement of the internal environment)

Based on the internal environment improvement policy of "always pursue a good work environment and enhance job satisfaction of each and every employee," various initiatives are implemented including encouraging employees, both women and men, to take childcare leave, developing work-from-home and flex-time systems, and pushing forward with promotion of active communication aimed at nurturing higher-quality relationships. Furthermore, the Group will work on health management under the theme of "maintaining and improving the health of employees and their families. and creating a workplace where everyone can work with enthusiasm." In fiscal 2023 and 2024, the Group implemented a restricted stock plan as a financial wellness measure through the Employee Association, and will continue to support its employees not only to maintain their physical and mental health, but also to help them feel secure about their future financial situation, and will seek to link such efforts to corporate value creation and productivity enhancement.

[Principle 2.6]《Performance of functions of asset owners in corporate pension plans》

To enable the Company and Kiraboshi Bank to perform the functions expected of asset owners in corporate pension plans, persons with the appropriate ability and insight are appointed to the secretariat and other functions associated with the Kiraboshi Bank corporate pension fund (hereinafter the "Fund"), and a good balance of officers and employees with experience and insight into market operations, human resources, corporate planning, and other areas are appointed as representatives to the Conference of Representatives, the Fund's supreme decision-making body. In this way, the Group ensures that the Fund's assets are managed from an expert perspective that protects the interests of its beneficiaries, and that any potential conflicts of interest between beneficiaries and each company are managed appropriately. A system is in place to regularly report matters such as the status of operation of the Fund to the Company's Board of Directors.

Regular training is held for the Fund's secretariat, including its managing trustees, including participation in seminars organized by investment banks and other external bodies. Systems are also in place to regularly and appropriately monitor the performance of the organizations delegated as asset managers and others, including their stewardship activities.

[Principle 3.1]《Enhancement of information disclosure》

1. Management philosophy, business strategies, and business plans (Principle 3.1.i)

   Please refer to the Company's website for details of the management philosophy, business strategies, and business plans.

   The Company's website: https://www.tokyo-kiraboshifg.co.jp/english/

2. Basic views and guidelines on corporate governance based on each of the principles of the Code (Principle 3.1.ii)

   Please refer to "1. Basic Views" in this report for the Company's basic views and guidelines on corporate governance. The Company will continue to strive to maintain and fulfill its basic views and guidelines on corporate governance based on the Corporate Governance Code.

3. Decisions on remuneration for and appointment of Directors (Principle 3.1.iii, Principle 3.1.iv)

Please refer to "Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof" in this report for the Company's policy on the determination of remuneration for Directors.

4. Qualifications and nomination/dismissal procedures for candidates for Director and CEO and candidates for Audit & Supervisory Board Member (Principle 3.1.v)

The Company has voluntarily established a "Nominating and Compensation Council" chaired by an Outside Director and composed of a majority of Outside Directors as an advisory body with the intent of securing objectivity and transparency regarding personnel matters of and remuneration for Directors. The Company has put in place a system and procedures where selection and dismissal of Directors, amounts of remuneration for Directors, etc., including a performance-linked compensation plan, are considered in the "Nominating and Compensation Council," and based on the consideration, personnel matters of and remuneration for Directors are determined by the Board of Directors of the Company. Please refer to "Policies and procedures for the appointment of Directors" below regarding procedures for the nomination and dismissal of Directors, "Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof" in this report regarding procedures for determining remuneration for Directors, and "Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee, and the Committee Chair (Chairperson)" in this report regarding the structure of the Nomination/Remuneration Committee, etc.

[Policies and procedures for the appointment of Directors]

(1) Qualifications of Directors, the CEO, and Audit & Supervisory Board Members

- Directors of the Company and Group companies must have excellent character, knowledge, and ability, extensive experience, and high ethical standards.
- CEOs of the Company and Group companies who are able to appropriately fulfill the duties and responsibilities of a CEO are selected from among Directors.
- Audit & Supervisory Board Members of the Company and Group companies must have excellent character, knowledge, and ability, extensive experience, and high ethical standards, in addition to the necessary finance, accounting, and legal knowledge.

(2) Nomination procedures for Directors and CEOs as well as Audit & Supervisory Board Members

- Candidates for Director of the Company are fairly, transparently, and stringently considered in the "Nominating and Compensation Council," and are determined by deliberation of the Board of Directors of the Company based on the results of this consideration. The Company's basic approach is to aim for a combination of Directors with diverse insight and backgrounds, to make important decisions concerning medium- to long-term management direction and business strategy and engage in effective supervision.
- Candidates for Director of each Group company are fairly, transparently, and stringently considered in the "Nominating and Compensation Council," and are determined by deliberation of the Board of Directors of each Group company based on the results of this consideration.
- CEOs of the Company and each Group company are fairly, transparently, and stringently considered in the "Nominating and Compensation Council" from among Directors of each company based on the qualifications for CEO, and are determined by deliberation of the Board of Directors of the Company or each Group company based on the results of this consideration.
- Candidates for Audit & Supervisory Board Member of the Company are recommended by the Board of Directors of the Company, and candidates are selected upon receiving approval from the Audit & Supervisory Board of the Company.
- Candidates for Audit & Supervisory Board Member of each Group company are recommended by the Board of Directors of the

Group company, and candidates are selected upon receiving approval from the Audit & Supervisory Board of each Group company.

(3) Dismissal procedures for Directors and CEOs

- Proposals for dismissal of Directors of the Company and the subsidiary banks are fairly, transparently, and stringently considered in the "Nominating and Compensation Council" based on the below standards of dismissal, and are determined by deliberation of the Board of Directors of each company based on the results of this consideration.

<Criteria for the Dismissal of Directors>

i) In the case where a Director has committed, or has been recognized to commit, an act that violates public order and morality, including the case where a Director is recognized to have a relationship with antisocial forces

ii) In the case where a Director has violated laws and regulations or the Articles of Incorporation or other regulations of the Group, and has significantly damaged the corporate value of the Group

iii) In the case where significant impediments have arisen to the execution of duties

iv) In the case where a Director is considered to lack a qualification stipulated in the qualifications for Director

- Proposal for dismissal of CEO of the Company and Group companies is fairly, transparently, and stringently considered, in principle, in the "Nominating and Compensation Council" based on the criteria for the dismissal of Directors, and is determined by deliberation of the Board of Directors of the Company or each Group company.

(4) Compilation of the results of inquiries regarding the selection of candidates or the dismissal of Directors

When the "Nominating and Compensation Council" conducts consideration of election and dismissal of candidates for Director and CEO, meeting members will directly assess each subject personnel as required, as well as summarize the consideration results upon utilization of the internal evaluation documents, etc., of the Group companies.

[Supplementary Principle 3.1.3]《Sustainability initiatives》

The Company discloses its initiatives on sustainability, from the perspectives of business strategy and the enhancement of corporate value, human capital management efforts, and other information on its website. (Please refer to "Sustainability Initiatives" and "Well-Being and Human Capital Management" in the Medium-Term Business Plan.)

https://www.tokyo-kiraboshifg.co.jp/english/business.html

The Company is engaged in CSR activities and SDGs-based management. It established the "Tokyo Kiraboshi Financial Group SDG Declaration" in May 2019 and its "Basic Policy on Social Responsibility (Sustainability Policy)" in December 2021. The former mainly focuses on five themes highly aligned with the Company's management philosophy and three action guideline principles for CSR, aiming to achieve the SDGs adopted at the UN Summit. Please refer to the Company's website for specific policies and other information.

https://www.tokyo-kiraboshifg.co.jp/sustainability/sdgs.html (Japanese only)

The Company discloses information based on the TCFD recommendations, together with information on CSR activities and specific initiatives related to SDGs-based management, in its Annual Report, and will strive to further enhance information disclosure in the future. (Please refer to "Initiatives to Address TCFD (Task Force on Climate-related Financial Disclosures)" in the Annual Report.)

https://www.tokyo-kiraboshifg.co.jp/english/annualreport.html

[Supplementary Principle 4.1.1]《Board of Directors' roles and responsibilities (scope of delegation to senior management)》

The Board of Directors decides on important matters such as management policy and business strategy in accordance with the Board of Directors Regulations, etc., and delegates the execution of duties, apart from matters for resolution by the Board of Directors, to senior management, based on internal regulations. The Board of Directors also has structures in place to supervise the execution of duties by Directors, including measures such as receiving reports on the status of the execution of delegated duties and other important matters.

[Supplementary Principle 4.1.3]《Board of Directors' roles and responsibilities (formulation and operation of succession planning》

The Company considers the fostering of successors to the office of Chief Executive Officer (CEO) to be one of the most important tasks of the Board of Directors, in terms of achieving the Group's sustainable growth and the medium- to long-term enhancement of corporate value. It therefore appoints personnel with diverse backgrounds as Executive Officers and to other senior management positions, and develops personnel capable of taking charge of management from a medium- and long-term perspective. The Board of Directors has established criteria for the selection of CEOs, and a system is in place for the Board of Directors to regularly confirm and consider the development of personnel capable of taking charge of management, including candidates for the next CEO, through measures such as the exchange of opinions at meetings of the non-statutory Nominating and Compensation Council, which is chaired by an Outside Director. Succession planning for the Group comprises the positions of President of the Company and President of Kiraboshi Bank.

[Supplementary Principle 4.2.1]《Board of Directors' roles and responsibilities (remuneration scheme for senior management)》

Remuneration for Directors (excluding Outside Directors) of the Company and Group companies is structured to function as a healthy incentive aimed at the sustainable growth of the Group. In addition to fixed remuneration as base remuneration, it is made up of a combination of cash remuneration linked to short-term performance, and share-based remuneration using a share trust, linked to medium- and long-term performance.

Please refer to "Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof" in this report for an overview of the performance-linked remuneration scheme.

[Supplementary Principle 4.2.2]《Board of Directors' roles and responsibilities (basic policy on sustainability initiatives)》

The Group is engaged in medium- and long-term initiatives aimed at enhancing its medium- to long-term corporate value and the sustainable development of local communities. To this end, it has established its "Basic Policy on Social Responsibility (Sustainability Policy)," the "Tokyo Kiraboshi Financial Group SDG Declaration," its "Environmental Policy," and its "Environmentally and Socially Friendly Investment and Loans Policy."

Please refer to the Company's website for specific policies and other information.

https://www.tokyo-kiraboshifg.co.jp/sustainability/ (Japanese only)

[Supplementary Principle 4.3.2 and Supplementary Principle 4.3.3]《Board of Directors' roles and responsibilities (appointment and dismissal of CEO)》

On procedures for appointment and dismissal of CEO, please refer to Principle 3.1.v "Qualifications and nomination/dismissal procedures for candidates for Director and CEO and candidates for Audit & Supervisory Board Member" above.

[Principle 4.8]《Effective use of independent Outside Directors)》

Three (3) of the Company's eight (8) Directors are Outside Directors. The Outside Directors provide competent advice and recommendations from an independent standpoint on all aspects of the Company's management, based on expert knowledge as an attorney, experience in general corporate management, extensive experience in supporting SMEs, and other attributes. They perform the role of strengthening the management decision-making and supervisory functions.

[Principle 4.9]《Standards and qualifications for determining the independence of independent Outside Directors》

The Group has established the following "standards of independence regarding outside officers."

The Group determines independence regarding candidates for Outside Director and Outside Audit and Supervisory Board Member based on the following standards.

1. (1) The person is not an Executive Director, Executive Officer, or a manager or other employee (collectively hereinafter the "Business Executors, etc.") of the Group, and was not a Business Executor, etc., of the Group within 10 years prior to appointment.

However, for candidates for Outside Audit and Supervisory Board Member, the requirement of not having been a Non-executive Director (Note 1) of the Group within 10 years prior to appointment is added.

(2) For candidates for Outside Director that were Non-executive Directors or Audit & Supervisory Board Members of the Group within 10 years prior to appointment, these persons must not have been a Business Executor, etc., of the Group within 10 years prior to appointment to that position.

For candidates for Outside Audit and Supervisory Board Member that were Audit & Supervisory Board Members of the Group within 10 years prior to appointment, these persons must not have been Business Executors, etc., or Non-executive Directors of the Group within 10 years prior to appointment to that position.

(3) The party is not a spouse or a relative to within the second degree of an officer, etc. (Note 2), manager, or other important employee (excluding those who are officers, etc.) of the Group.

2. The person is not a major shareholder (Note 3) of the Company or an officer, etc., or employee (excluding those who are officers, etc.) of a company of which the Group is a major shareholder.

3. (1) The person does not hold the Group as a major transaction partner (Note 4) and is not the parent company or a significant subsidiary, and if that person is a company, is not a Business Executor, etc., of said company and was not a Business Executor, etc., within the past three years.

(2) The person is not a major transaction partner of the Group and is not the parent company or a significant subsidiary, and if that person is a company, is not a Business Executor, etc., of said company and was not a Business Executor, etc., within the past three years.

(3) The person is not an employee, etc., of an organization that receives donations, etc., over a certain amount (an average of ¥10 million per annum for the past three years or 30% of average annual expenses of said organization, whichever is higher) from the Group.

4. The person is not an officer, etc., of a company, parent company of said company, or subsidiary of said company that receives officers, etc., from the Group.

5. The person is not the Accounting Auditor of the Group or an employee, etc., of said Accounting Auditor and was not responsible for the audit operations of the Group within the past three years as said employee, etc.

6. The person is not an attorney, certified public accountant, or other consultant, etc., who has not received an average of ¥10 million or

more per annum for the past three years aside from officer remuneration in cash or other property as profit from the Group. Additionally, the person is not an employee, etc., of an advisory firm such as a legal office, etc., that holds the Group as a major transaction partner (an advisory firm that received payment from the Group of 2% or more of its consolidated net sales on average over the past three fiscal years).

7. The person is not a person with whom a constant, substantial conflict of interest with general shareholders of the Company may arise for reasons other than those considered above.

(Note 1) A "Non-executive Director" refers to a Director that is not an Executive Director.

(Note 2) An "officer, etc.," refers to a Director (including an Outside Director), Audit and Supervisory Board Member (including an Outside Audit and Supervisory Board Member), Executive Officer, Counselor, and Advisor.

(Note 3) A "major shareholder" is a person or company, etc., that directly or indirectly possesses voting rights equal to 10% or more of total voting rights as of the end of the most recent fiscal year.

(Note 4) A "major transaction partner" is determined on the standard of 2% or more of annual consolidated net sales (annual consolidated ordinary revenue for the Company) as of the end of the most recent fiscal year

[Supplementary Principle 4.10.1]《Use of the voluntary system》

The Company has voluntarily established a "Nominating and Compensation Council" as an advisory body with the intent of securing objectivity and transparency regarding personnel matters of and remuneration for Directors. Please refer to "Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee, and the Committee Chair (Chairperson)" in this report regarding the composition and other attributes of the Nominating and Compensation Council. Please refer to "Policies and procedures for the appointment of Directors" and "Director Remuneration" in this report regarding the authority and role of the Nominating and Compensation Council.

[Principle 4.11 and Supplementary Principle 4.11.1]《Prerequisites for ensuring the effectiveness of the Board of Directors and the Audit & Supervisory Board (skills matrix)》

The Company selects candidates for Director who have excellent character, knowledge, and ability, and extensive experience. By appointing personnel with a wide variety of backgrounds, regardless of aspects such as gender, nationality, and age, the Company ensures the balance and diversity of the Board of Directors as a whole, from the perspectives of contributing to the medium- and long-term enhancement of the Group's corporate value and achieving the business strategy (Medium-Term Business Plan). The Company selects candidates for Audit & Supervisory Board Member who have excellent character, knowledge, and ability, extensive experience, and high ethical standards, in addition to the necessary finance, accounting, and legal knowledge.

(Please refer to Principle 3.1, Paragraph 4, "Qualifications and nomination/dismissal procedures for candidates for Director and CEO and candidates for Audit & Supervisory Board Member.")

The Company considers that some of the skills required of internal officers and outside officers are different in terms of the knowledge, experience, and ability that they should possess, and has established eight skills for each. The Company's basic approach to the appointment of Directors is to aim for a combination of Directors with diverse insight and backgrounds, to make important decisions concerning medium- to long-term management direction and business strategy, and to engage in effective supervision.

Eight (8) Directors of the Company have been appointed, in view of factors such as the management environment and business characteristics. Please refer to the "Notice of Convocation of the General Meeting of Shareholders" for a skills matrix of members of

the Board of Director and the Audit & Supervisory Board.

Notice of Convocation of the General Meeting of Shareholders: https://www.tokyo-kiraboshifg.co.jp/english/others.html

[Supplementary Principle 4.11.2]《Prerequisites for ensuring the effectiveness of the Board of Directors and the Audit & Supervisory Board (concurrent positions of Director and Audit & Supervisory Board Member)》

The Company discloses significant concurrent positions held by Outside Directors and Outside Audit & Supervisory Board Members, as well as other Directors and Audit & Supervisory Board Members, in the "Notice of Convocation of the General Meeting of Shareholders."

[Supplementary Principle 4.11.3]《Prerequisites for ensuring the effectiveness of the Board of Directors and the Audit & Supervisory Board (effectiveness evaluation)》

Regarding the effectiveness of the Board of Directors, the Company implements Director self-evaluations and evaluations with involvement and advice of a third-party organization with the aims of improving the effectiveness of the Board and enhancing corporate value. The Company conducts surveys of all Directors and Audit & Supervisory Board Members who are members of the Board of Directors and individual interviews with them by a third-party organization, concerning aspects such as the Board's composition, operation, discussions, monitoring function, and Nominating and Compensation Council. This survey is analyzed by a third-party organization, and the results of this analysis are discussed and evaluated by the Board. Survey responses are submitted directly to a third-party organization to ensure anonymity.

In fiscal 2023, the survey and interview results concluded that the overall effectiveness of the Board was generally secured and that issues identified in the previous evaluation of the Board's effectiveness, such as "narrowing down of agenda items" and "reduction in the time required for explanation at meetings through more substantial briefings beforehand" at its meetings, were improved. At the same time, the Board needs to engage in even more substantial discussions at its meetings, and will strive to further increase its effectiveness and strengthen governance by identifying the key issues on the annual agenda schedule in advance, and by clarifying business challenges and revitalizing discussions aimed at solving these challenges. In this way, the Board will work to "secure the time for deliberation on key issues on the agenda (such as Group strategies, DX strategies, and sustainability initiatives)."

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

The Company holds regular and continuing training for Directors and Audit & Supervisory Board Members, led by external instructors and specialists. The purposes of this training are to deepen these officers' common understanding of their roles and responsibilities and to assist them to strive for self-development, including acquiring and appropriately renewing their requisite knowledge of economic conditions, legal and regulatory compliance, corporate governance, etc., to enable them to fulfill the roles and responsibilities expected of them with the aim of enhancing corporate value. Newly appointed officers receive pre-appointment training to enable them to deepen their understanding of aspects such as corporate philosophy and management policy. Newly appointed Outside Directors also detailed briefings on matters such as industry trends and an overview of the Company.

The Company also has systems in place to assist Executive Officers and senior managers, apart from Directors, to strive for self-development, including acquiring and appropriately renewing their requisite knowledge of economic conditions, legal and regulatory compliance, corporate governance, etc., and holds regular and continuing training.

[Principle 5.1]《Policy on constructive dialogue with shareholders》

The Company undertakes the following initiatives to promote constructive dialogue with shareholders, with the aim of achieving sustainable growth and the medium- to long-term enhancement of corporate value. The Company's basic approach is for senior management, Directors, including Outside Directors, or Audit & Supervisory Board Members to participate in interviews, within reasonable bounds, taking into account the wishes of shareholders and the main topics of the interview.

Please refer to "III. Implementation of Measures for Shareholders and Other Stakeholders," "2. Status of IR-related Activities," and "3. Status of Measures to Ensure Due Respect for Stakeholders" concerning the status of IR activities.

[Principle 5.2]《Establishment and announcement of management strategies and plans》

The Company has established and disclosed its basic capital policy, after ascertaining the Group's cost of capital. Moreover, the Company formulates profit targets with consciousness of the Group's cost of capital. In addition to announcing the Group's medium- to long-term numerical targets, the Company endeavors to provide all stakeholders with easy-to-understand explanations of the main measures and initiatives under the Medium-Term Business Plan.

Reference: Medium-Term Business Plan https://www.tokyo-kiraboshifg.co.jp/english/business.html

《Action to implement management that is conscious of cost of capital and stock price》(English disclosure available) [Updated: November 29, 2024]

The Company marshals its thoughts on capital cost and deliberates on its policy for measures to reduce capital cost based on the calculated cost of capital and to improve ROE, and also deliberates on such other matters as breakdown and balance between short-term investment and medium- to long-term investment based on profit targets, and level of net assets.

The achievement status of ROE targets will be periodically checked by being conscious of the level of capital cost at meetings of the Board of Directors and will be disclosed in its Annual Report, materials of corporate information sessions, and other means.

Reference: Results Briefing for the First Half of the Fiscal Year Ending March 31, 2025 (pages 27–36) https://www.tokyo-kiraboshifg.co.jp/english/business.html

2. Capital Structure

Foreign Shareholding Ratio	10% or more and less than 20%

Status of Major Shareholders

	Name or Company Name	Number of Shares Owned	Percentage (%)
1	Tokyo Metropolitan Government	3,197,889	9.63
2	The Master Trust Bank of Japan, Ltd. (trust account)	3,188,600	9.60
3	Sumitomo Mitsui Trust Bank, Limited	3,040,600	9.15
4	Custody Bank of Japan, Ltd. (trust account)	2,269,654	6.83
5	Tokyo Kiraboshi Financial Group Employees Association	1,191,129	3.58
6	Mars Group Holdings Corporation	590,200	1.77
7	Mizuho Bank, Ltd.	509,607	1.53
8	STATE STREET BANK AND TRUST COMPANY 505223	452,253	1.36
9	Ark Securities Co., Ltd.	400,000	1.20
10	STATE STREET BANK WEST CLIENT - TREATY 505234	370,800	1.11

Name of Controlling Shareholder, if applicable (excluding Parent Company)	—
Name of Parent Company, if applicable	—

Supplementary Explanation

—

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo, Prime Market
Fiscal Year-End	March
Business Sector	Banks
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) as of the Previous Fiscal Year	¥100 billion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more and fewer than 50

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

—

5. Other Special Circumstances that 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

Corporate Governance System	Company with Audit and Supervisory Board*

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

Directors

Number of Directors Stipulated in Articles of Incorporation	12
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	8
Election of Outside Directors	Elected
Number of Outside Directors	3
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yuki Takahashi	From another company											
Shoji Nishio	Other											
Shuya Nomura	Lawyer											

*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.)

a. Person who executes business of the Company or a subsidiary
b. Person who executes business or a Non-executive Director of a parent company
c. Person who executes business of a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for such person/entity
e. Major client of the Company or a person who executes business for such client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to Director/Audit and Supervisory Board Member compensation from the Company
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of 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 self only)
i. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
j. Person who executes business for an entity receiving contributions from the Company (applies to self only)
k. Other

Outside Directors' Relationship with the Company (2)

Name	Independent Directors and Independent Audit and Supervisory Board Members	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Yuki Takahashi	○	No special conflicts of interests exist with the Company or its Group companies. Note that Kiraboshi Bank, Ltd. engages in transactions related to employee benefits with Bears Co., Ltd. where Ms. Takahashi serves as Vice President and Director, and pays an amount of less than 1 million yen per annum as subsidy for fees on housekeeping and other services used by its employees. As this amount accounts for less than 1% of net sales of Bears Co., Ltd., it has been judged that she fulfills the Company's standards of independence, which are based on those designated by Tokyo Stock Exchange, Inc., and is independent from management of the Company.	Ms. Yuki Takahashi has served as a corporate manager of a housekeeping services provider, and due to her wealth of experience, including regarding the promotion of women's participation and advancement in the workplace, lifestyle reform, and creation of new businesses, she also holds key positions at various organizations. She has been appointed because the Group concluded that her knowledge can be reflected to improve the Group's products and services. There exists no cause as set forth under Article 211, Paragraph 4, item 5a of the Enforcement Rules for Securities Listing Regulations, and the Company has designated Ms. Takahashi as an independent officer with no risk of conflicts of interest with general shareholders.
Shoji Nishio	○	No special conflicts of interest exist with the Company or its Group companies.	Mr. Shoji Nishio has held the positions of Managing Director, General Manager of SMEs Regeneration Assistance Division, and General Manager of SMEs Division at The Tokyo Chamber of Commerce and Industry. He has a wealth of experience in management consultation, regeneration assistance, business succession, etc. for small and medium-sized enterprises. He has been appointed because the Group concluded that his knowledge can be utilized in business management support to the Group's transaction partners and for measures to improve services. There exists no cause as set forth under Article 211, Paragraph 4, item 5a of the Enforcement Rules for Securities Listing Regulations, and the Company has designated Mr. Nishio as an independent officer with no risk of conflicts of interest with general shareholders.
Shuya Nomura	○	No special conflicts of interest exist with the Company or its Group companies.	Mr. Shuya Nomura has specialized knowledge as a professor of a graduate school and also engages in corporate legal affairs as an attorney. He has also held a number of various positions in the public service and possesses extensive insight and abundant experience. He has been appointed because the Group concluded that his knowledge and experience can be utilized for the overall management of the Group. There exists no cause as set forth under Article 211, Paragraph 4, item 5a of the Enforcement Rules for Securities Listing Regulations, and the Company has designated Mr. Nomura as an independent officer with no risk of conflicts of interest with general shareholders.

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

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

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nominating and Compensation Council	3	0	1	2	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nominating and Compensation Council	3	0	1	2	0	0	Outside Director

Supplementary Explanation

The Company has voluntarily established a "Nominating and Compensation Council" as an advisory body with the intent of securing objectivity and transparency regarding personnel matters of and remuneration for Directors. The "Nominating and Compensation Council" is composed of no more than four (4) Directors of whom no less than two (2) are Outside Directors, based on the Company's regulations.

Audit and Supervisory Board Member

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	6
Number of Audit and Supervisory Board Members	4

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

- Audit & Supervisory Board members had a total of 16 meetings with Accounting Auditor to communicate on such themes as audit plan, quarterly audit reviews, interim audit results, self-assessment audit results, pre-approval of non-assurance services by the Accounting Auditor, exchange of opinions on KAM, and fiscal year-end audit results.
- In monthly Audit & Supervisory Board meetings, Audit & Supervisory Board members receive reports from, and exchange opinions with, the General Manager of Audit, who is the head of the Internal Audit Division of the Company.
- Twice a year, the three parties in audit, namely full-time Audit & Supervisory Board member, Accounting Auditor and Internal Audit Division, exchange opinions for sharing risk awareness, etc.

Appointment of Outside Audit and Supervisory Board Members	Established
Number of Outside Audit and Supervisory Board Members	2
Number of Independent Audit and Supervisory Board Members	2

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes			Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k	l	m
Nobuko Inaba	Certified public accountant													
Kayo Todo	Lawyer													

*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.)

a. Person who executes business of the Company or a subsidiary
b. A Non-executive Director or an accounting advisor of the Company or its subsidiaries
c. Person who executes business or a non-executive Director of a parent company
d. An Audit and Supervisory Board Member of a parent company of the Company
e. Person who executes business of a fellow subsidiary
f. Person/entity for which the Company is a major client or a person who executes business for such person/entity
g. Major client of the Company or a person who executes business for such client
h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to Director/Audit and Supervisory Board Member compensation from the Company
i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to self only)
k. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
l. Person who executes business for an entity receiving contributions from the Company (applies to self only)
m. Other

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

Name	Independent Directors and Independent Audit and Supervisory Board Members	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Nobuko Inaba	○	No special conflicts of interest exist with the Company or its Group companies.	Ms. Nobuko Inaba has been appointed because the Group concluded that she is able to reflect her advanced expertise as a certified public accountant and a wealth of insight into management as a corporate manager in the auditing structure of the Group. There exists no cause as set forth under Article 211, Paragraph 4, item 5a of the Enforcement Rules for Securities Listing Regulations, and the Company has designated Ms. Inaba as an independent officer with no risk of conflicts of interest

			with general shareholders.
Kayo Todo	○	No special conflicts of interest exist with the Company or its Group companies. Kiraboshi Bank, Ltd. has concluded individual contracts with attorneys who belong to KOHWA SOHGOH LAW OFFICES (the law office at which Ms. Todo works) other than Ms. Todo, to receive legal advice on business matters as necessary. However, there is no contractual relationship for legal services between Kiraboshi Bank, Ltd. and the law office as well as Ms. Todo, and Kiraboshi Bank, Ltd. does not pay any legal fees to the law office and Ms. Todo.	Ms. Kayo Todo has been performing her duties as a partner of a law office. She has been appointed because the Group concluded that she is able to appropriately perform her duties as an Outside Audit and Supervisory Board Member, such as conducting objective and neutral audits on the legality of the Company's management execution, etc. from her professional perspective as an attorney-at-law. There exists no cause as set forth under Article 211, Paragraph 4, item 5a of the Enforcement Rules for Securities Listing Regulations, and the Company has designated Ms. Todo as an independent officer with no risk of conflicts of interest with general shareholders.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members	5

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

All five (5) outside officers qualify as independent directors, and the Company has designated them as independent directors.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items

Remuneration for Directors (excluding Outside Directors) of the Group is made up of a combination of cash remuneration linked to short-term performance, and share-based remuneration linked to medium- and long-term performance, in addition to fixed remuneration as base remuneration. Details of performance-linked remuneration are presented in "Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof" in this report.

Persons Eligible for Stock Options	—

Supplementary Explanation for Applicable Items

—

Director Remuneration

Status of Disclosure of Individual Directors' Remuneration	No Disclosure for any Directors

Supplementary Explanation for Applicable Items

The Company discloses the total amount of Directors' remuneration.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof	Established

Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

Policy and procedures regarding the determination of Directors' remuneration

A. Policy regarding the determination of Directors' remuneration

The Company's Board of Directors views the establishment of an environment supporting sound management and appropriate risk-taking to be one of its main roles and responsibilities, and endeavors to make swift and bold decisions based on the approach of creating a new type of urban regional bank.

Based on this approach, remuneration for Directors of the Group (excluding Outside Directors) is structured to function as a healthy incentive aimed at the sustainable growth of the Group. In addition to fixed remuneration as base remuneration, it is made up of a combination of cash remuneration linked to short-term performance, and share-based remuneration using a share trust, linked to medium- and long-term performance.

The Company uses performance against financial targets and other measures as indicators linked to performance, and aims to enhance corporate value by constructing a remuneration system where Directors themselves aim to achieve performance targets.

B. Types of remuneration

Remuneration, etc. for the Company's Directors (excluding Outside Directors) consists of "fixed remuneration" (monthly remuneration) as base remuneration, and "performance-linked remuneration" which is made up of "cash remuneration" linked to short-term numerical targets, etc. in the business plan and "share-based remuneration" linked to medium- to long-term numerical targets, etc. in the business plan.

Outside Directors only receive monthly remuneration.

Audit & Supervisory Board Members only receive monthly remuneration, and are not entitled to performance-linked remuneration from the perspective of ensuring the neutrality and independence of Audit & Supervisory Board Members.

C. Procedures for determining Directors' remuneration

The Company has voluntarily established a "Nominating and Compensation Council" as an advisory body with the intent of securing objectivity and transparency regarding personnel matters of and remuneration for Directors.

The "Nominating and Compensation Council" is composed of no more than four (4) Directors of whom no less than two (2) are Outside Directors, appointed by resolution of the Board of Directors. The Council is chaired by an Outside Director.

To ensure a level of remuneration that stakeholders and others will find acceptable, remuneration for Directors of the Company and Group companies is fairly, transparently, and stringently considered in the "Nominating and Compensation Council," including aspects such as the appropriateness of form and process and the method of linking remuneration to performance. Remuneration for the Company's Directors is determined by deliberation the Company's Board of Directors based on the results of this consideration.

Remuneration for Directors of Group companies is determined by the Board of Directors of each company based on the results of consideration by the "Nominating and Compensation Council."

Remuneration for Audit & Supervisory Board Members is determined through discussion between Audit & Supervisory Board Members, within the limits approved by the General Meeting of Shareholders.

Support System for Outside Directors and/or Outside Audit and Supervisory Board Members

A support system has been established for Outside Directors by providing advance explanations and supplementary materials on important proposals for the Board of Directors.

Furthermore, Audit & Supervisory Board Member assistants are assigned to assist with the duties of Audit & Supervisory Board Members as support for Outside Audit & Supervisory Board Members, and a support system has been established by providing advance explanations and supplementary materials, etc. as needed for important proposals for the Board of Directors.

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

(1) Business execution and supervisory function

a. Directors and the Board of Directors

The Company's Board of Directors is composed of eight (8) Directors, including three (3) independent Outside Directors, one (1) of whom is a female Outside Director. It meets once per month, in principle, and systems are in place to hold extraordinary meetings at other times, as necessary. In this way, the Board of Directors is structured to decide on important matters such as management policy and business strategy and to supervise the execution of duties by Directors, including measures such as receiving reports on the status of the execution of duties and other important matters.

b. Nominating and Compensation Council

The Company has voluntarily established the Nominating and Compensation Council as an advisory body with the intent of securing objectivity and transparency regarding personnel matters of and remuneration for Directors. The Nominating and Compensation Council is composed of no more than four (4) Directors of whom no less than two (2) are Outside Directors, appointed by resolution of the Board of Directors. The Council considers personnel matters, appointment and dismissal, and the amounts of remuneration for Directors of the Company and Group companies, and reports on the results of this consideration to the Board of Directors of the relevant company.

c. Management Council

The Company has established the Management Council, composed of Directors, under the Board of Directors. The Management Council is held each week, in principle, and extraordinary meetings may also be held at other times, as necessary. The Management Council decides important matters related to business execution other than those to be resolved by the Board of Directors and matters delegated by the Board of Directors, and receives reports on the status of business execution and other important matters.

d. Committees

The Company has set up the "Compliance Committee," the "Risk Management Committee," the "Asset Liability Management Committee," the "Capital Policy Committee," the "Hospitality Mind Committee," and the "Group Sales Strategy Committee" as the subordinate organizations to the Management Council for each area of important management issues, and has established a system that increases expertise and agility. Each Committee meets regularly and at any time whenever the need arises in accordance with their respective rules.

e. Group management system

The Company has introduced a “Group Chief Officer (CxO) system”* and established a Group-wide business management system by appointing Group Chief Officers in charge of each field, under the overall control of the Group CEO. The Company ensures proper Group management by appointing officers responsible for each Group company and implementing internal audits of Group companies through the Internal Audit Division.

*The following Group Chief Officers have been appointed:

- Group CEO (Group Chief Executive Officer)
- Group CFO (Group Chief Financial Officer)
- Group CSO (Group Chief Strategy Officer)
- Group CIO (Group Chief Information Officer)
- Group CRO (Group Chief Risk Officer)
- Group CSuO (Group Chief Sustainability Officer)

(2) Audit and supervisory functions

a. Audit & Supervisory Board Members and the Audit & Supervisory Board

The Company’s Audit & Supervisory Board is composed of four (4) Audit & Supervisory Board Members, including two (2) independent Outside Audit & Supervisory Board Members (female). The Audit & Supervisory Board strives to strengthen the audit structure by ensuring effective monitoring functions for Directors’ decision-making and business execution. Each Audit & Supervisory Board Member conducts audits on the execution of duties by Directors, internal control, and other related matters by engaging in such activities as attending the Board of Directors’ meetings and other important meetings, reviewing important approval and other documents, and conducting audits on each division of the Company and investigations on subsidiaries, in accordance with audit policies and plans established by the Audit & Supervisory Board.

Audit & Supervisory Board Members and the Audit & Supervisory Board strive to ensure effective audits. This includes maintaining close cooperation with internal audit departments and the Accounting Auditor and exchanging opinions on priority audit issues in regular meetings with Representative Directors and others.

b. Internal audit

The Internal Audit Division, independent from other divisions within the Group, has been established to implement internal audits based on “Medium-Term Audit Plan” and “Fiscal Year Audit Plan” approved by the Board of Directors. The Internal Audit Division reports the results of its audits regularly to the Board of Directors and the Management Council, as well as to the Audit & Supervisory Board and its members.

c. Accounting audit

The Group’s accounting audit is conducted by Ernst & Young ShinNihon LLC.

3. Reasons for Adoption of Current Corporate Governance System

The Company is a company with Audit & Supervisory Board. The Board of Directors supervises the execution of duties by Directors, and Audit & Supervisory Board Members and the Audit & Supervisory Board audit the execution of duties by Directors. The Company believes that the appropriateness of management supervision and audit functions as well as a system for efficient business execution are ensured by effectively utilizing the management supervisory function realized by the appointment of highly independent Outside

Directors and Outside Audit & Supervisory Board Members and the audit function performed by Audit & Supervisory Board Members and the Audit & Supervisory Board, and by enhancing the effectiveness of corporate governance.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	To ensure that shareholders have sufficient time to consider the agenda and other matters of the meeting, the Company posts the materials for the general meeting of shareholders on its website and also on the website of the Tokyo Stock Exchange in advance of the statutory deadline, in response to the measures for electronic provision of materials for general shareholders meetings.
Scheduling of General Shareholders Meetings during Off-Peak Periods	The Company sets the date of the general shareholders meeting to avoid peak periods when many other companies tend to hold their shareholder meetings, so that as many shareholders as possible can attend our meetings.
Electronic Exercise of Voting Rights	Voting rights may be exercised via the Internet, etc.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company uses the voting rights exercise platform operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	The notice (in English) is posted in the Company's information column on the Tokyo Stock Exchange website.
Other	The general shareholders meetings are broadcast live on the Internet for shareholders.

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 and disclosed its "Information Disclosure Policy," including its "basic views on information disclosure." For details of the "Information Disclosure Policy," please visit our website (https://www.tokyo-kiraboshifg.co.jp/english/) or refer to "Other [Timely Disclosure System]" in this report.	
Regular Investor Briefings held for Individual Investors	In view of the reclassification of COVID-19 infection as a Class V infectious disease, the Company will consider scheduling the sessions in the future.	Held

Regular Investor Briefings held for Analysts and Institutional Investors	Company information sessions, etc. are held after the announcement of annual and interim financial results, at which Representative Directors, etc. explain business performance and management strategies and other matters of the Company. (On November 24, 2023, and May 30, 2024, held sessions in a hybrid format combining in-person and online meetings)	Held
Regular Investor Briefings held for Overseas Investors	It is the Company's policy to engage in overseas IR activities as appropriate, while giving consideration to factors such as overseas institutional investor trends. In fiscal 2023, the Company continued to hold individual meetings with overseas institutional investors, at which Representative Directors explained the Company's business performance and management strategies, etc. Going forward, the Company will continue to strengthen its overseas IR activities through individual IR meetings with overseas institutional investors visiting Japan and those based in Tokyo, as well as by using online meetings. .	Held
Online Disclosure of IR Information	Various materials are posted on the Company's website. https://www.tokyo-kiraboshifg.co.jp/english/ Materials posted on the website: securities reports and other financial information, news releases (Japanese only), corporate information sessions (written materials), medium-term management plans (written materials), annual reports, etc.	
Establishment of Department and/or Placement of a Manager in Charge of IR	Person responsible for IR: Chief Officer in charge of Corporate Planning Division Division responsible for IR: Public Relations Office, Corporate Planning Division	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company aims to be a comprehensive service business that is also strong in finance by growing sustainably together with its stakeholders, based on its management philosophy: "To be a financial group for small and medium-sized enterprise customers and individual customers in the Tokyo metropolitan area that will contribute to the development of local communities through comprehensive financial services." To achieve this, the Company believes that striving for the timely and appropriate disclosure of information, enabling stakeholders to accurately understand the Company's current situation, is one of the most important management issues.
Implementation of environmental preservation activities, CSR activities, etc.	The Company has established Sustainability Policy and various other policies, etc., with aims to contribute to resolving issues in development of regional communities and formation of a sustainable society, based on its management philosophy. <Basic Policy on Social Responsibility (Sustainability Policy)> The Tokyo Kiraboshi Financial Group strives to contribute to the sustainable development of local communities and enhance its corporate value in the medium and long term through corporate activities based on its management philosophy. It also endeavors to achieve full information disclosure through dialogue with all its stakeholders. Each and every one of the Group's officers and employees will engage in enhancing customer value and will play an active role in addressing climate change, social, and other issues. <Tokyo Kiraboshi Financial Group SDG Declaration> The Company has established the "Tokyo Kiraboshi Financial Group SDG Declaration" to contribute to achieving the SDGs (Sustainable Development Goals) proposed by the United Nations. The Declaration sets forth five themes highly aligned with the Company's management philosophy, etc., and declares its intention to engage in achieving the SDGs through its corporate activities. <Environmental Policy> The Company has in place "Environmental Policy" to further broaden and deepen its engagement with the sustainable development of local communities and the environment. The Environmental Policy sets forth the Company's intention to engage in resolving environmental issues in the economic activities associated with its main businesses, as well as its own corporate activities. <Environmentally and Socially Friendly Investment and Loans Policy> The Company has in place "Environmentally and Socially Friendly Investment

	and Loans Policy" to contribute to achieving sustainable local communities by setting forth its policy on investment and loans to businesses with an impact on the environment (including climate change) or society. The Policy determines the Company's response to climate change, social, and other issues, and its attitude on investment and loans to specific sectors.
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company has established the "Information Disclosure Policy" for the timely and appropriate disclosure and provision of information that is easy to understand to stakeholders, and strives to disclose information in a fair and equitable manner. For details of the "Information Disclosure Policy," please visit our website (https://www.tokyo-kiraboshifg.co.jp/english/) or refer to "Other [Timely Disclosure System]" in this report. The Company strives to enhance corporate value by sharing information, with opinions and other communications from shareholders reported to senior management in a timely and appropriate manner. The Company has established its "Rules on the Prevention of Insider Trading" as internal regulations to ensure the appropriate management of important corporate information and to prevent the occurrence of insider trading. All employees in the Group are encouraged to become familiar with and fully understand these rules.

IV. Matters Concerning the Internal Control System

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

The Company has established, by resolution of the Board of Directors, the "Basic Internal Control Policy" described below, to put in place a structure to ensure appropriate business operations at the Company and Group companies, and endeavors to enhance the effectiveness of this structure, in accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act. The Company will continue to revise and endeavor to enhance the content of the Basic Internal Control Policy.

1. Systems to ensure that the execution of duties by Directors and employees complies with laws, regulations, and the Articles of Incorporation

(1) The Company shall establish the Basic Compliance Policy to ensure proper business operations and sound management, with all officers and employees of the Company and Group companies complying with laws, regulations, the Articles of Incorporation, and social norms. The Company shall also establish the Compliance Regulations as a specific code of conduct for compliance.

(2) The Company shall establish the Compliance Committee and a compliance management division to comprehensively ascertain and manage the status of compliance at the Company and Group companies, and enhance systems related to compliance.

(3) The Company shall establish the Internal Audit Division independent from divisions to be audited. The Internal Audit Division shall regularly implement audits of the status of operations at the Company and Group companies, and report the results of these audits to the Board of Directors.

(4) The Company shall establish a contact point for consultation and reporting regarding actions by officers and employees that violate laws or regulations, properly handle these consultations and reports, and put structures in place to protect those making the

consultation or report, based on its rules on the management of whistleblowing.

(5) The Company shall establish the Group Basic Policy for Protection of Personal Information and Policy on Managing Conflicts of Interest to implement systems to protect and enhance the convenience of customers of the Company and Group companies, and to implement systems to manage conflicts of interest to prevent any undue violation of customers' interests.

(6) Based on its Basic Policy on Dealing with Antisocial Forces, established as a basic policy on the elimination of relations with antisocial forces, the Company shall put systems in place to eliminate relations with antisocial forces that threaten the order and safety of civil society. Moreover, the Company shall implement an organized response to any unreasonable demands by antisocial forces.

(7) Based on its Rules on the Prevention of Insider Trading, the Company shall put systems in place to appropriately manage any material facts regarding trading partners of the Company of Group companies, discovered through business activities, that have not yet been publicly disclosed.

2. Systems for the preservation and management of information associated with the execution of duties by Directors

The Company shall construct a framework to preserve and manage, for an appropriate period of time, information associated with the execution of duties by Directors. The Company shall also compile and preserve minutes of General Meetings of Shareholders, meetings of the Board of Directors, and other important meetings in which Directors participated, based on the Document Management Regulations.

3. Regulations on the management of the risk of losses, and other systems

(1) The Company shall establish the Group Basic Policy for Risk Management to ensure sound management of the Company and Group companies and ensure that profits are commensurate with the level of various risks.

(2) The Company shall establish the Integrated Risk Management Regulations and engage in proper risk management according to the type and scale of each risk, to ensure the appropriateness and soundness of business operations at the Company and Group companies.

(3) The Company shall establish a Risk Management Committee and a division in charge of risk management to manage the various risks to the Company and Group companies, and put in place systems to manage the risk of losses.

(4) The Company shall implement a structure whereby the Internal Audit Division verifies the appropriateness and effectiveness of the risk management systems used by the division in charge of risk management, and strive to enhance the risk management framework.

(5) The Company shall establish a basic policy on business continuity to enable it to resume business operations promptly in the event of a crisis, and construct an appropriate framework for crisis management.

4. Systems to ensure the efficient execution of duties by Directors

(1) The Company shall establish management targets and management plans, and use appropriate methods of business management.

(2) The Company shall establish the Board of Directors Regulations for the appropriate operation of the Board of Directors, and shall also establish the Management Council, etc., which shall be delegated duties by the Board of Directors, including decision-making on designated matters. In addition to decision-making on delegated matters, the Management Council, etc. shall engage in the prior consideration of agenda items for meetings of the Board of Directors, in order to contribute to decision-making by the Board of Directors.

(3) The Company shall establish rules concerning duties, authority, and decision-making through regulations on general organization, rules on the division of duties, rules on administrative authority, etc., to ensure the efficient execution of duties by Directors and other officers and employees.

5. Systems to ensure proper business operations within the corporate group composed of the Company and Group companies

(1) The Company and Group companies shall be managed as an integrated corporate group with a shared business strategy, based on the corporate philosophy. The Company shall establish basic rules regarding the consultation, reporting, etc. of important matters concerning the management of Group companies, such as the business plans of subsidiaries, etc., in the Group Companies Management Regulations, and shall implement systems to ensure the sound, appropriate, and efficient operation of the Group.

(2) The Company and Group companies shall establish internal control frameworks for financial reporting, founded on their basic policy on internal control for financial reporting, to ensure proper and trustworthy financial reporting.

(3) The Company and Group companies shall appropriately handle intra-Group transactions in accordance with laws, regulations, etc., and shall appropriately manage them with a focus on ensuring the soundness of the Group's business operations, founded on their basic policy on measures to prevent adverse impact on intra-Group transactions, etc., and their basic policy on business collaboration within the Group.

(4) The Company shall establish the Basic Policy on the Management of Related Party Transactions concerning transactions by the Company with its corporate officers, Group companies (consolidated subsidiaries and equity-method affiliates), major shareholders, and others listed under Article 8, Paragraph 17 of the Regulation on Financial Statements (related party transactions), to ensure the soundness and appropriateness of business operations at each Group company and to secure the common interests of shareholders, in accordance with laws, regulations, and other rules.

(5) The Internal Audit Division shall implement audits to ensure proper business operations, in accordance with the basic policy on internal auditing, and shall provide any advice necessary to optimize these operations.

(6) The Company shall put systems in place to ensure that any serious violation of laws or regulations by an officer or employee of the Company or a Group company, or any other important matter concerning compliance, is immediately reported to the Company's Board of Directors upon discovery. The Company shall also clearly indicate the standards for reporting to the Company by subsidiaries, and establish systems for the reporting of matters such as those vital for Group management.

(7) The Company shall put systems in place to ensure that any officer or employee who makes a report as in (6) above is not treated disadvantageously as a result.

6. Allocation of employees to support Audit & Supervisory Board Members in their duties

The Company shall allocate employees to support Audit & Supervisory Board Members in their duties (hereinafter, these employees are referred to as "Assistants"), to enable more efficient and effective service by Audit & Supervisory Board Members.

7. Independence from Directors of the Assistants mentioned in the previous paragraph

(1) Prior consent of Audit & Supervisory Board Members must be obtained regarding the appointment, reallocation, evaluation, or disciplinary action against Assistants.

(2) The Company shall put systems in place to prevent Assistants from concurrently serving in positions associated with business execution.

8. Systems for reporting to Audit & Supervisory Board Members by Directors, employees, and others

(1) Directors and employees of the Company and Group companies, upon discovering any matter that may significantly damage the Company or a Group company, shall report the matter to an Audit & Supervisory Board Member, based on the Audit & Supervisory Board Members Reporting Regulations. Audit & Supervisory Board Members may request reports from Directors, employees, such as those in internal audit divisions, or others, as necessary, in addition to matters stipulated by laws, regulations, or other rules. Persons who make a report to an Audit & Supervisory Board Member shall not be treated disadvantageously as a result.

(2) The Company shall put systems in place for internal audit divisions to report the results of internal audits of the Company and

Group companies to the Company's Audit & Supervisory Board Members.

9. Other systems to ensure effective audits by Audit & Supervisory Board Members

(1) The Company shall implement systems for effective audits through coordination, including the exchange of opinions, etc., between Audit & Supervisory Board Members and the Accounting Auditor, Representative Directors, risk management divisions, internal audit divisions, and divisions responsible for the internal control function.

(2) Where an Audit & Supervisory Board Member requests prepayment or reimbursement, or the handling of obligations, concerning expenses arising from the execution of duties as an Audit & Supervisory Board Member, the Company shall promptly settle these expenses. Moreover, should the Audit & Supervisory Board Member consider it necessary, the Company shall assume the expense of obtaining advice, etc. from external specialists.

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

1. Basic views on eliminating antisocial forces

The Group eliminates and will eliminate any relationship whatsoever with antisocial forces that threaten the order and safety of civil society, will comply with the following basic policy, and ensure sound and responsible business operations.

(1) Deal with antisocial forces that threaten the order and safety of civil society as an organization and maintain a firm attitude against them.

(2) Endeavor to strengthen close cooperation with the police and other external specialized agencies in preparation for unreasonable demands by antisocial forces even under normal circumstances.

(3) Eliminate any relationship whatsoever, including transactions, with antisocial forces.

(4) Reject firmly any unreasonable demands from antisocial forces, including initiating legal action under civil or criminal law.

(5) Reject firmly any requests for providing funds or benefits to antisocial forces.

2. Establishment of measures for eliminating antisocial forces

The Company has systems in place to eliminate relationships with antisocial forces, etc. through the establishment of its "Basic Policy on Dealing with Antisocial Forces" and "Basic Rules on Dealing with Antisocial Forces." The Risk Management Division is responsible for the integrated management of information concerning antisocial forces, while the Company and Group companies strive to collect and share information concerning antisocial forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted

Supplementary Explanation for Applicable Items

○ Views on anti-takeover measures

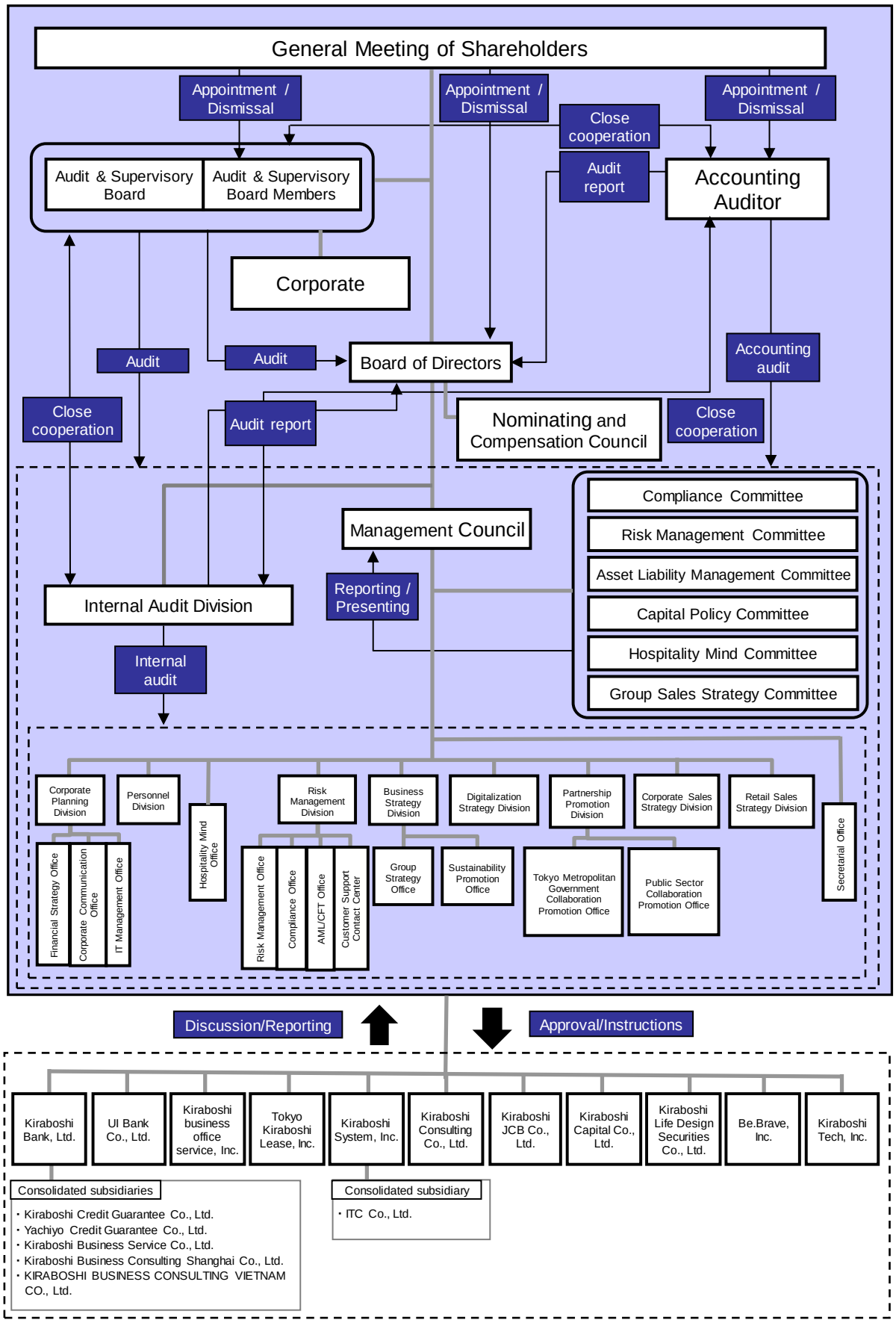
The Company has not adopted anti-takeover measures. The Company believes that it is important to enhance corporate value by deepening relationships of trust with shareholders, local communities, and other stakeholders, and building medium- and long-term relationships.

2. Other Matters Concerning the Corporate Governance System

Please refer to the information below concerning the corporate governance system and internal systems for timely disclosure.

[Chart of corporate governance system]

(as of October 1, 2024)



[Timely Disclosure System]

<Information Disclosure Policy>

○ Basic views on information disclosure

Under its management philosophy, which is “to be a financial group for small and medium-sized enterprise customers and individual customers in the Tokyo metropolitan area that will contribute to the development of local communities through comprehensive financial services,” the Group is committed to making timely and appropriate disclosure and provision of information that is easy to understand, not only on financial information but also on non-financial information such as management strategies and issues and information on risks and governance, with the aim of gaining further trust and reputation from our customers, shareholders, and local communities, etc.

The Group strives to disclose information in a fair and equitable manner through the Company’s website, in addition to the methods stipulated in laws, regulations, and other rules, etc.

○ Information disclosed

The Group aims to disclose appropriate, important information in compliance with the Companies Act, the Financial Instruments and Exchange Act, financial instruments exchange rules, and other laws, regulations, etc. The Group also strives to actively disclose company information that it considers useful to help customers, shareholders, local communities, and others understand the Group.

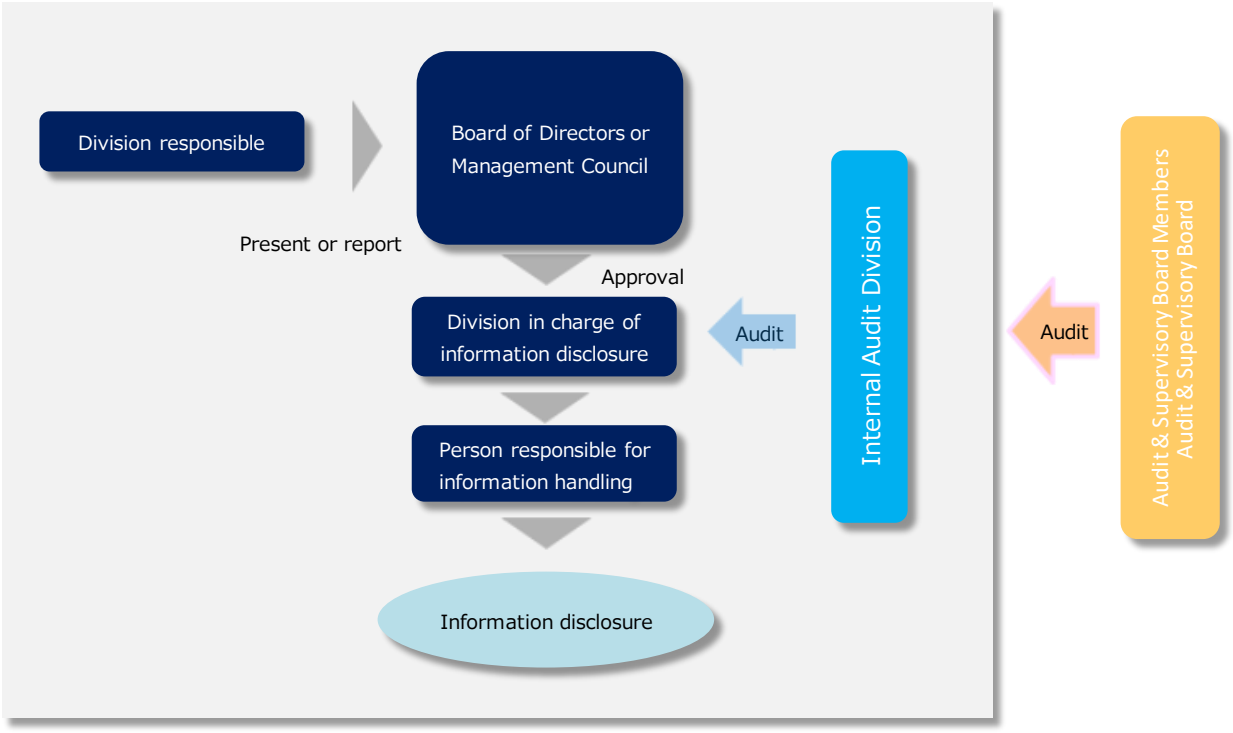
○ Establishment and enhancement of internal systems

The Group strives to establish and enhance the internal systems needed to implement its Information Disclosure Policy.

○ Forward-looking statements

Some of the information disclosed by the Company consists of forward-looking statements. There is no guarantee that the forecasts contained in these forward-looking statements will be achieved, and they incorporate a degree of risk and uncertainty.

(1) Information on decisions and financial results, etc.



(2) Information on events that have occurred

