Note: This document has been translated from a part of the Japanese original for reference purposes only. Adjustments to the contents have been made to the English version. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities code: 8706

Mailing Date: June 1, 2026

To Shareholders with Voting Rights:

Hiroyuki Kikuchi
Chairman
Kyokuto Securities Co., Ltd.
1-4-7 Nihombashi-Kayabacho,
Chuo-ku, Tokyo, Japan

NOTICE OF CONVOCATION OF THE 83RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 83rd Annual General Meeting of Shareholders (the "Meeting") of Kyokuto Securities Co., Ltd. (the "Company") will be held as described below.

When convening the Meeting, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company's website. Please access the following Company's website.

The Company's website:
https://www.kyokuto-sec.co.jp/ir/stockholder/

In addition to the Company's website mentioned above, the matters subject to measures for electronic provision are also posted on the Tokyo Stock Exchange (TSE) website below.

TSE website (Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

(After accessed the TSE website, enter "Kyokuto Securities" in "Issue name (company name)" or the Company's securities code "8706" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

In case you are unable to attend the Meeting in person, you may exercise your voting rights in writing or by electronic means (Internet). Please review the REFERENCE MATERIALS CONCERNING THE GENERAL MEETING OF SHAREHOLDERS and exercise your voting rights by 5:15 p.m. on Monday, June 22, 2026 (Japan Standard Time).

PARTICULARS

1. Date and Time of the Meeting: 10:00 a.m. (JST), Tuesday, June 23, 2026
2. Place of the Meeting: 9th floor meeting room, Tokyo Shoken Kaikan
   1-5-8 Nihombashi-Kayabacho, Chuo-ku, Tokyo

3. Meeting Agenda:
   Matters to be reported:
   1. The Business Report, and the reports on Consolidated Financial Statements for the 83rd Fiscal Year from April 1, 2025 to March 31, 2026 and results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors.
   2. The report of non-consolidated Financial Statements for the 83rd Fiscal Year from April 1, 2025 to March 31, 2026.

   Matters to be resolved:
   Proposal 1: Election of seven (7) members of the Board of Directors
   Proposal 2: Election of two (2) Corporate Auditor
   Proposal 3: Election of one (1) Substitute Corporate Auditor

4. Decisions on the matters relating to the convocation (instructions for exercising voting rights)
   (1) When you exercise your voting rights, if neither approval nor disapproval of each proposal is indicated on the voting form (postal mail), the Company will deem that you indicated your approval for the proposal.
   (2) Please note that your online vote will be treated as valid if you exercise your voting rights both in writing (by post) and via the Internet.
   (3) If you exercise your voting rights more than once via the Internet, only the last vote shall be treated as valid.

◎ The reception desk will open at 9:00 a.m.
◎ When attending the Meeting in person, please present the voting form at the reception desk.
◎ If revisions to the matters subject to measures for electronic provision are made, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company's website and TSE website.
◎ Among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, the following matters are not provided in the paper-based documents delivered to shareholders who requested paper-based documents. Moreover, Corporate Auditors and Accounting Auditors audit documents including the following items:
   (i) Business Report
   - Matters related to subscription rights for new shares, etc.
   - Overview of the contents of the Limited Liability Agreement
   - System to ensure the appropriate conduct of business activities
   - Overview of the status of operation of the system to ensure the appropriate conduct of business activities
   - Basic corporate philosophy on control of the Company

   (ii) Consolidated Financial Statements
   - Notes to the Consolidated Financial Statements

   (iii) Non-consolidated Financial Statements
   - Notes to the Non-consolidated Financial Statements

■ No gifts have been prepared for distribution at the Meeting.

REFERENCE MATERIALS CONCERNING THE GENERAL MEETING OF SHAREHOLDERS

Proposals and Matters for Reference

Proposal 1: Election of seven (7) members of the Board of Directors

The terms of office of all seven members of the Board of Directors will expire at the close of the Meeting. Therefore, the Company proposes the election of seven Directors.

The candidates are as follows.

Candidate for Director

Candidate No.		Name	Current Position and Responsibilities at the Company	Candidate Attributes
1	Reelection	Hiroyuki Kikuchi	Chairman	
2	Reelection	Kazuhiro Kikuchi	President & CEO	
3	Reelection	Masahiro Goto	Senior Managing Director General Manager of Headquarter, Customer Sales	
4	New	Kazuhiro Nishimukai	Senior Executive Officer Deputy General Manager of Headquarter, Planning and Administration	
5	Reelection	Kenjiro Horikawa	Outside Director	Outside Director Independent Director
6	Reelection	Sadao Yoshino	Outside Director	Outside Director Independent Director
7	Reelection	Takako Sugaya	Outside Director	Outside Director Independent Director

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary and Current Position and Responsibilities at the Company
(Important status in other companies)</th><th>Number of the Company's shares held</th></tr>
<tr><td rowspan="2">1</td><td>Hiroyuki Kikuchi
(March 6, 1942)</td><td>April 1964 Joined Nomura Securities Co., Ltd.
July 1972 Joined the Company
November 1972 Executive Vice President
December 1979 President & CEO
April 2012 Chairman (current position)
(Important status in other companies)
President & CEO of Kyokuto Property Co., Ltd.</td><td>981,458</td></tr>
<tr><td colspan="3">(Reason for proposing as a candidate for Director)
Mr. Hiroyuki Kikuchi has served as Executive Vice President, President & CEO, and Chairman, and through his strong leadership has long been responsible for the management of the Company and our group companies. His abundant experience and extensive insight are necessary for the sustainable enhancement of the Company's corporate value, and the Company has judged that he is well suited to continue as Director of the Company and has therefore nominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">2</td><td>Kazuhiro Kikuchi
(February 8, 1968)</td><td>April 1990 Joined Nomura Securities Co., Ltd.
March 1999 Joined the Company
June 1999 Executive Vice President
April 2012 President & CEO (current position)</td><td>967,346</td></tr>
<tr><td colspan="3">(Reason for proposing as a candidate for Director)
Mr. Kazuhiro Kikuchi has served as Executive Vice President and President & CEO of the Company, and by leveraging his experience, knowledge, and leadership skills, has contributed to the expansion of the business of the Company and our group companies. His experience and judgment as a management executive are necessary for the Company's sustained improvement in corporate value, and the Company has determined that he is suited to continue as Director of the Company and have nominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">3</td><td>Masahiro Goto
(October 6, 1961)</td><td>April 1985 Joined the Company
October 2002 General Manager, Osaka Branch, Headquarter, Sales
March 2008 Director, Customer Asset Management Department II of Head Office
June 2010 Executive officer, Director of Customer of Asset Management Department II of Head Office
April 2011 Executive Officer, Deputy General Manager of Headquarter, Customer Sales and Director of Retail Business
June 2012 Senior Executive Officer, Deputy General Manager of Headquarter, Customer Sales and Director of Retail Business
June 2014 Senior Executive Officer, Member of the Board, General Manager of Headquarter, Customer Sales and Director of Retail Business
June 2016 Senior Managing Director and General Manager of Headquarter, Customer Sales (current position)</td><td>43,100</td></tr>
<tr><td colspan="3">(Reason for proposing as a candidate for Director)
Mr. Masahiro Goto has long been involved in Customer Sales since joining the Company and continues to oversee Customer Sales as Senior Managing Director and General Manager of Headquarter, Customer Sales, where he has promoted the expansion of the customer base and an increase in assets under custody. Based on his extensive experience and expertise to date, the Company has judged that he is suited to continue as Director of the Company and has nominated him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary and Current Position and Responsibilities at the Company
(Important status in other companies)</th><th>Number of the Company's shares held</th></tr>
<tr><td rowspan="2">4</td><td>Kazuhiro Nishimukai
(February 23, 1962)

New</td><td>April 1984 Joined Yokogawa Bridge Manufacturing Co., Ltd (current company name: Yokogawa Bridge Corp.)
September 1989 Joined Tokyo Stock Exchange, Inc.
June 2007 Seconded to Japan Securities Depository Center, Incorporated, General Manager of International Department
June 2013 Director, Settlement Management Dept., Tokyo Stock Exchange, Inc.
June 2015 Director, Market Sales Dept.
April 2016 Director, Financial Literacy Support Dept.
April 2017 Director, Information Services Dept.
June 2019 Joined the Company
July 2019 Executive Officer, in charge of General Affairs of Headquarter, Planning and Administration and General Manager of Department of General Affairs
June 2020 Senior Executive Officer, General Manager of Department of General Affairs and General Manager of Department of Risk Management
June 2023 Senior Executive Officer and Deputy General Manager of Headquarter, Planning and Administration (current position)
(Important status in other companies)
Director of Kyokuto Securities Research Institute, Inc.</td><td>6,600</td></tr>
<tr><td colspan="3">(Reason for proposing as a candidate for Director)
Mr. Kazuhiro Nishimukai used to work for Tokyo Stock Exchange, Inc., and has long been involved in securities exchange market operations. Currently, he is Senior Executive Officer and Deputy General Manager of Headquarter, Planning and Administration, involved in the operations of the planning and administration department. The Company has judged that his extensive experience and expertise contribute to the appropriate execution of duties as Director and has nominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">5</td><td>Kenjiro Horikawa
(August 5, 1942)

Outside

Independent</td><td>April 1965 Joined Nikkei Inc.
March 1996 Director and Editor-in-Chief of Tokyo Head Office
March 1998 Managing Director and Representative of Nagoya Branch Office
March 2000 Managing Director, Head of Editorial and Publishing
March 2002 Executive Vice President of QUICK Corp.
March 2004 President & CEO
March 2008 Chairman
March 2012 Special Advisor
March 2016 Counselor (current position)
June 2016 Outside Director of the Company (current position)</td><td>-</td></tr>
<tr><td colspan="3">(Reason for proposing as a candidate for Outside Director and expected roles)
Mr. Kenjiro Horikawa has long been involved in the company management as an executive at Nikkei Inc. and QUICK Corp. He has extensive experience as a corporate executive and knowledge of finance and capital markets. Because it is expected that he will continue to draw on such experience and knowledge to supervise and advise the management team on the execution of their duties and to strengthen the functions of the Company's Board of Directors, the Company has nominated him as a candidate for Outside Director. In the event that he is elected, he will serve as a member of the Compensation Committee and will be involved in a neutral manner in the decision-making policies regarding the content of compensation, etc., for the members of the Board of Directors.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary and Current Position and Responsibilities at the Company
(Important status in other companies)</th><th>Number of the Company's shares held</th></tr>
<tr><td rowspan="2">6</td><td>Sadao Yoshino
(June 19, 1944)

Outside

Independent</td><td>April 1967 Joined Tokyo Stock Exchange, Inc.
May 1999 Executive Officer
November 2001 Managing Director of Tokyo Stock Exchange, Inc.
June 2002 Representative Director and Senior Managing Director
December 2005 Advisor of Japan Securities Settlement Co., Ltd.
June 2007 Representative Director and Managing Senior Executive Officer of HEIWA REAL ESTATE CO., LTD.
June 2010 President & CEO
June 2013 Director and Advisor
June 2015 Advisor
June 2016 Outside Director of the Company (current position)
July 2017 Advisor of HEIWA REAL ESTATE CO., LTD. (current position)</td><td>-</td></tr>
<tr><td colspan="3">(Reason for proposing as a candidate for Outside Director and expected roles)
Mr. Sadao Yoshino has long been involved in corporate management as a management executive at Tokyo Stock Exchange, Inc. and HEIWA REAL ESTATE CO., LTD. and has extensive experience in business activities closely related to the securities market, including serving as a member of government and related organizations. He has extensive experience as a corporate executive and knowledge of finance and capital markets. Because it is expected that he will continue to draw on such experience and knowledge to supervise and advise the management team on the execution of their duties and to strengthen the functions of the Company's Board of Directors, the Company has nominated him as a candidate for Outside Director. In the event that he is elected, he will serve as a member of the Compensation Committee and will be involved in a neutral manner in the decision-making policies regarding the content of compensation, etc., for the members of the Board of Directors.</td></tr>
<tr><td rowspan="2">7</td><td>Takako Sugaya
(September 20, 1972)

Outside

Independent</td><td>October 2002 Registered as an attorney at law (Daini Tokyo Bar Association)
Joined Yamada Hideo Law Office (current company name: Yamada Ozaki Law Office)
June 2007 Outside Audit & Supervisory Board Member of Faith, Inc. (current position)
March 2019 External Director of Lion Corporation (current position)
June 2020 Outside Director of the Company (current position)
January 2024 Founder and representative attorney of the Sugaya Partners Law Office (current position)
(Important status in other companies)
Attorney at law (Sugaya Partners Law Office)
External Director of Lion Corporation</td><td>-</td></tr>
<tr><td colspan="3">(Reason for proposing as a candidate for Outside Director and expected roles)
Ms. Takako Sugaya has extensive experience and expertise as a lawyer as well as long-time experience as an outside director and outside corporate auditor of other companies. Although she has no experience of direct involvement in corporate management other than outside director, it is expected that she will continue to draw on such experience and knowledge to supervise and advise the management team on the execution of their duties and to strengthen the functions of the Company's Board of Directors, the Company has nominated her as a candidate for Outside Director. In the event that she is elected, she will serve as a member of the Compensation Committee and will be involved in a neutral manner in the decision-making policies regarding the content of compensation, etc., for the members of the Board of Directors.</td></tr>
</table>

(Notes) 1. There are no special interests between each of the candidates and the Company.
2. Mr. Kenjiro Horikawa, Mr. Sadao Yoshino, and Ms. Takako Sugaya are candidates for Outside Director.
3. The Company has submitted notification to the Tokyo Stock Exchange that Mr. Kenjiro Horikawa, Mr. Sadao Yoshino, and Ms. Takako Sugaya have been appointed as Independent Officers as provided for by the Tokyo Stock Exchange. If their reelection is approved at the Meeting, the Company plans for their appointment as Independent Directors to continue.
4. The Company has established the following criteria for the election of Independent Outside Directors.
   (1) The Directors must satisfy the requirements for Outside Directors as set forth in the Companies Act of Japan.
   (2) There is no conflict with the criteria for independence set forth by the Tokyo Stock Exchange, and there is no risk of a conflict of interest with general shareholders.
   (3) They must be able to devote sufficient time to performing their duties as a Member of the Board of Directors of the Company and must attend at least 80% of the meeting of the Board of Directors.
   (4) In principle, they have not served as an Outside Director of the Company for a period of more than ten years.
   (5) They must hold concurrent positions as directors, etc. of other companies, including the Company, within 5 companies.
   (6) They must have extensive experience and knowledge, and be able to provide broad-based opinions and advice on overall management matters.
5. Mr. Kenjiro Horikawa, Mr. Sadao Yoshino, and Ms. Takako Sugaya are currently Outside Directors of the Company, and their number of years in office as Outside Directors will be ten years, ten years, and six years, respectively, at the conclusion of the Meeting.
6. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Kenjiro Horikawa, Sadao Yoshino, and Takako Sugaya to limit their liability for damages under Article 423, paragraph (1) of the same Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act. If their reelections are approved at the Meeting, the Company plans to continue the aforementioned limited liability agreements.
7. Takako Sugaya's name in her family register is Takako Tanae.
8. The policies and procedures for the nomination of candidates for Director by the Board of Directors are as follows.
   With respect to the nomination of candidates for Director, the Representative Director proposes to the Board of Directors, a candidate of excellent character and insight, who has achieved results in their respective business activities and is well versed in corporate management, while giving due consideration to the balance among the various departments. The Board of Directors then makes a decision after its full deliberation.

Proposal 2: Election of two (2) Corporate Auditors

At the conclusion of this Meeting, the term of office of both Hiroyuki Kaneko and Nobuo Tsukuni, as Corporate Auditor expires. Accordingly, the Company proposes the election of two Corporate Auditors.

The Company has already obtained the consent of the Board of Auditors regarding this proposal.

The candidates are as follows.

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary and Current Position and Responsibilities at the Company
(Important status in other companies)</th><th>Number of the Company's shares held</th></tr>
<tr><td rowspan="2">1</td><td>Hiroyuki Kaneko
(July 28, 1960)</td><td>April 1985 Joined The Long-Term Credit Bank of Japan, Limited (current company name: SBI Shinsei Bank, Limited)
October 2004 Joined RICOH LEASING COMPANY, LTD.
May 2006 Joined Mizuho Investors Securities Co., Ltd. (current company name: Mizuho Securities Co., Ltd.)
November 2006 Joined Tokio Marine & Nichido Financial Life Insurance Company, Limited (current company name: Tokio Marine & Nichido Life Insurance Co., Ltd.)
Director, Business Management Department
May 2013 Joined the Company, Director of Internal Audit
June 2022 Corporate Auditor (current position)
(Important status in other companies)
Auditor of Kyokuto Securities Research Institute, Inc</td><td>-</td></tr>
<tr><td colspan="3">(Reason for proposing as a candidate for Corporate Auditor)
Mr. Hiroyuki Kaneko has many years of professional experience working in financial institutions. After joining the Company, he has long been involved in the Internal Audit as the Director of the Internal Audit Department thorough promoting the strengthening of the business audit system and the development of internal controls. He was appointed as a Corporate Auditor of the Company in June 2022 and has contributed to improving the effectiveness of the Board of Auditors. The Company has judged that his extensive experience and knowledge will contribute to the appropriate performance of his duties as a Corporate Auditor, and therefore nominated him as a candidate for Outside Corporate Auditor to continue to serve as such.</td></tr>
</table>

Candidate No.	Name (Date of birth)	Career summary and Current Position and Responsibilities at the Company (Important status in other companies)	Number of the Company's shares held
2	Nobuo Tsukuni (July 21, 1954) Outside Independent	April 1977 Joined The Mitsui Bank, Ltd. (current company name: Sumitomo Mitsui Banking Corporation) April 2004 Executive Officer and Director, Osaka Head Office Sales Division 2, Sumitomo Mitsui Banking Corporation June 2005 Executive Officer, Director, East Japan Corporate Sales Department 2 April 2006 Executive Officer Executive Officer and Director of Audit Department, Sumitomo Mitsui Financial Group, Inc. April 2007 Executive Officer Executive Officer, Sumitomo Mitsui Financial Group, Inc. June 2007 Standing Corporate Auditor May 2010 Advisor of Human Inventory, K.K. June 2010 President & CEO June 2015 Executive Vice President and Representative Director of Muromachi Co., Ltd., President and Representative Director of Muromachi Building Co., Ltd. and Non-Standing Director of Muromachi-Shoji Co., Ltd. June 2016 President & CEO of Muromachi Co., Ltd. June 2018 Outside Corporate Auditor of the Company (current position) June 2019 Outside Director of NISSIN SHOJI CO., LTD. (Audit & Supervisory Committee Member) (current position) (Important status in other companies) Outside Director of NISSIN SHOJI CO., LTD. (Audit & Supervisory Committee Member)	3,100
	(Reason for proposing as a candidate for Outside Corporate Auditor) Mr. Nobuo Tsukuni has many years of work experience at financial institutions and has long been involved in company management as a corporate executive. He was appointed as an Outside Corporate Auditor of the Company in June 2018 and has contributed to improving the effectiveness of the Board of Auditors. The Company has judged that his extensive experience and knowledge will contribute to the appropriate performance of his duties as a Corporate Auditor, and therefore nominated him as a candidate for Outside Corporate Auditor to continue to serve as such.		

(Notes) 1. There are no special interests between each of the candidates and the Company.
2. Mr. Nobuo Tsukuni is a candidate for Outside Corporate Auditor.
3. The Company has submitted notification to the Tokyo Stock Exchange designating Mr. Nobuo Tsukuni as an Independent Officer as provided for by the Tokyo Stock Exchange. If his reelection is approved, the Company plans for his appointment as an Independent Officer to continue.
4. Mr. Nobuo Tsukuni is currently an Outside Corporate Auditor of the Company, and his number of years in office as an Outside Corporate Auditor will be eight years at the conclusion of this Meeting.
5. The Company has entered into a limited liability agreement with Mr. Hiroyuki Kaneko and Mr. Nobuo Tsukuni, pursuant to Article 427, paragraph (1) of the Companies Act, to limit his liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act. If their reelections are approved, the Company plans to continue aforementioned limited liability agreements.
6. The Board of Directors' policies and procedures for the nomination of candidates for Corporate Auditors are set forth below.

With respect to the nomination of candidates for Corporate Auditors, the Representative Director, with the consent of the Board of Auditors, makes a proposal to the Board of Directors. Based on this proposal, the Board of Directors makes a decision, while ensuring a balance between knowledge of financial accounting, knowledge of the securities industry, and diverse perspectives on corporate management.

Proposal 3: Election of one (1) Substitute Corporate Auditor

The Company proposes the election of one (1) Substitute Corporate Auditor in case the number of Corporate Auditors falls below the number required by the law.

The Company has already obtained the consent of the Board of Auditors, with regard to this proposal.

The candidate is as follows.

Name (Date of birth)	Career summary (Important status in other companies)	Number of the Company's shares held
Yasuo Tobiyama (October 4, 1947) Outside Independent	April 1971 Joined Tokyo Stock Exchange, Inc. November 2001 Executive Director of Tokyo Stock Exchange, Inc. June 2003 Managing Director December 2005 Representative Director and Senior Managing Director June 2007 Director of Japan Securities Clearing Corporation August 2007 Director and Representative Executive Officer, Senior Managing Director of Tokyo Stock Exchange, Inc. Group June 2009 Representative Director and President of Japan Securities Clearing Corporation January 2013 Administrative Officer of Japan Electric Power Exchange (part-time) June 2013 Advisor for Japan Securities Clearing Corporation	-
(Reason for proposing as a candidate for Substitute Outside Corporate Auditor) Mr. Yasuo Tobiyama has extensive experience with company management as a manager. The Company has judged that his extensive experience and insight as a corporate management executive will contribute to the appropriate performance of his duties as a Corporate Auditor, with an emphasis on objectivity and impartiality. The Company has therefore nominated him as a candidate for the position of Substitute Outside Corporate Auditor.		

(Notes) 1. There are no special interests between Mr. Yasuo Tobiyama and the Company.
2. Mr. Yasuo Tobiyama is a candidate for Substitute Outside Corporate Auditor.
3. Mr. Yasuo Tobiyama satisfies the requirements for Independent Director as provided for by the Tokyo Stock Exchange, and if he is appointed as a Corporate Auditor, the Company will register him as an Independent Director with the Exchange.
4. If Mr. Yasuo Tobiyama assumes an office as a Corporate Auditor, the Company will enter into an agreement with him ,pursuant to Article 427, paragraph (1) of the Companies Act, to limit his liability for damages under Article 423, paragraph (1) of the same Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act.

END

(Reference)
The Company's Board of Directors considers that "Corporate Management," "Financial Instruments Business," "Sales," "Financial Accounting," "Legal and Risk Management," "Information and Communications," and "Audit" are the skills required for well-functioning of the Board of Directors in light of our business strategy.

In the event that the Proposal 1 and 2 is approved, the so-called skills matrix listing the skills of the directors and auditors will be as follows.

	Name	Position/role (planned)	Expertise, experience, etc. possessed by each Director and Corporate Auditor						
			Corporate management	Financial instruments business	Sales	Financial accounting	Legal/ Risk management	Information and communications	Audit
1	Hiroyuki Kikuchi	Chairman	●	●					
2	Kazuhiro Kikuchi	President & CEO	●	●					
3	Masahiro Goto	Senior Managing Director General Manager, Headquarter, Customer Sales		●	●				
4	Kazuhiro Nishimukai	Senior Managing Director General Manager, Headquarter, Planning and Administration		●		●	●		
5	Kenjiro Horikawa	Outside Director Independent	●					●	
6	Sadao Yoshino	Outside Director Independent	●	●		●			
7	Takako Sugaya	Outside Director Independent					●		●
8	Hiroyuki Kaneko	Standing Corporate Auditor					●		●
9	Tsutomu Kurai	Standing Outside Corporate Auditor Independent				●			●
10	Nobuo Tsukuni	Outside Corporate Auditor Independent					●		●

Excerpt from Business Report

1. Basic Philosophy and Strategies of Corporate Management, and Issues to be Addressed

(1) Basic Philosophy of Corporate Management

Since its foundation, ,"

The Kyokuto Securities and our group companies ("Kyokuto Group"), under a guiding principle of "credibility forms the basis of all businesses" since foundation, maintains the "Face to Face business model" based on trust as well as ensures "sustainable growth supported by the sound financial base" as our basic corporate philosophy.

While upholding this basic philosophy, it is recognized that the Kyokuto Group needs to respond to changes in the market and regulatory environments in a flexible manner, and to establish a revenue base that will allow for sustainable growth.

While recognizing these issues, the Kyokuto Group dedicates itself to maximize corporate value and shareholder value by consistently implementing its medium-term business plan (FY2024-FY2026). The Kyokuto Group will also add value to an entire society by contributing to the asset-building of a whole nation as well as our customers, and thereby contribute to the development of the national economy as a whole. Through these business activities, the Kyokuto Group will endeavor to maintain sustainable growth of its businesses.

(Note) The group companies include three subsidiaries: FE Invest Co., Ltd. (Consolidated), Kyokuto Property Co., Ltd. (Consolidated), and Kyokuto Securities Research Institute Inc. (Non-consolidated)

(2) Medium- to Long-term Basic Strategy

The Kyokuto Group aims to maintain sustainable growth by adhering to its unique business model in accordance with its guiding principle. Accordingly, the Kyokuto Group will continue to increase its corporate value and contribute to the social sustainability through its commitments to the financial and capital markets, while being more conscious than ever of all stakeholders, in accordance with the Basic Sustainability Policy set out below.

Furthermore, as a company listed on the Prime Market of the Tokyo Stock Exchange, the Company is carrying out its efforts to implement a corporate management that places emphasis on capital costs and share prices for increasing corporate value, and to engage in dialogue with shareholders, while striving to build a higher standard of corporate governance system.

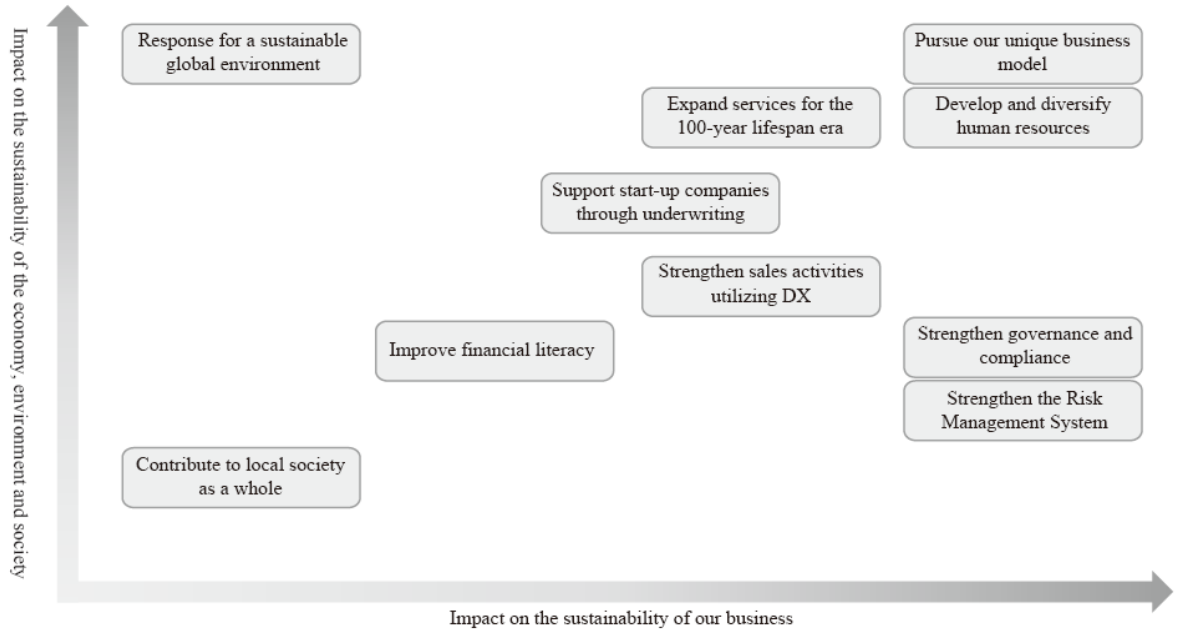
<Basic Sustainability Policy>

Based on its Corporate Philosophy, the Kyokuto Group is striving to improve sustainability through its business as a financial instruments business operator.



<Reference> Initiatives for Addressing Material Issues for Sustainability

The Company has set material issues for sustainability in order to stick to our unique business while aiming for continuous growth. The following shows details related to initiatives for addressing these material issues.



	Important Issues	Main Initiatives
Business Strategy	Pursueing unique business model	• Sticking to the Face to Face business model • Investing in human capital, a core of business model • Establishing a healthy financial base for sustainable growth
	Expanding services gazing at the 100-year lifespan era	• Expanding customer services in response to the aging population • Providing products that meet the needs of each generation
	Strengthening sales activities through utilizing DX	• Supporting sales staff by utilizing digital tools • Improving customers' convenience through digital services
	Supporting start-up companies through underwriting business	• Providing customers' risk money to start-up companies that have new technologies and services
Business Foundation	Strengthening governance and compliance	• Ensuring strict compliance • Strengthening a corporate governance system
	Strengthening risk management system	• Managing various risks at the Risk Management Committee (including market risks, credit risks, personnel/labor risks, etc.)
	Addressing sustainable global environment	• Investing its own money in accordance with ESG factors • Pursuing information disclosure in accordance with TCFD recommendations
	Enhancing financial literacy	• Fostering investors who can make investment decisions with thorough understanding of return/risk through provision of accurate financial knowledge
	Training and diversifying human resources	• Implementing training program such as skills up program in accordance with the human resource development plan • Implementing work style reform
	Contributing to local community	• Sponsoring artistic activities • Contributing to society through donations

(3) Issues to be Addressed

In light of changes in environments surrounding it both domestic and global, the Kyokuto Group revised its medium-term business plan (FY2024-FY2026) to set three goals of the "expansion and enhancement of revenue bases," "enhancement of human capital," and "ensuring strict compliance." Along with steadily implementation of its medium-term business plans, the Kyokuto Group will make efforts to strengthen its unique business model and improve its earnings power, so that 8% of ROE will be achieved as a result.

a. Expansion and Enhancing of Revenue Base

The Kyokuto Group's core business involves sales of financial products traded in both domestic and global financial and capital markets, and its customers' assets under management is positioned as the most important pillar of its earnings base. Therefore, the Kyokuto Group recognizes that the strengthened relationship with its customers is the key to sustainable growth, and conducted a customer satisfaction survey (customer experience (CX) indicator) for FY2025. The CX indicator was 6.52, a steady improvement from the previous survey (FY2022: 5.51), with a high evaluation for "kind-hearted and courteous manner" in the Company's face-to-face sales in particular.

This evaluation has been supported by its face-to-face business that emphasize direct dialogue with customers, to which we have consistently sticked since its founding. The Kyokuto Group has gained the deep trust and high regard of its customers by devoting itself to this effort.

The Kyokuto Group will further promote its strength of its "kind-hearted and courteous manner" and make efforts to achieve quantitative growth such as expanding number of customers and sales volume, as well as enhancing the quality of our profitability.

Specifically, such environment that the sales staff can focus on more high-value-added product proposals and post sales follow-up services needs to be prepared by streamlining their administration works. And it is also aimed that a high quality services throughout the entire process from product proposals to after sales follow-up services is to be provided by enhancing the analysis and utilization of customer data.

Also, in the context of efficient management of shareholders' equity, the Kyokuto Group strives to promote investment in products/assets with higher potential by accurately grasping changing business environments as well as employing proper risk management, which will ultimately increase other revenues than those from customer-oriented businesses.

b. Enhancement of Human Capital

The Kyokuto Group believes that the factors that distinguish its corporate value from those of other companies are both its brand "trust of our customers" and its know-how in providing "'in season' financial products" that accurately meet the needs of customers. The Kyokuto Group believes that enhancement of its human capital is the most important management priority for maximizing these strengths and achieving sustainable growth of its earnings power while responding to changes in the business environment in a flexible manner.

With this in mind, the Kyokuto Group considers the development of human resources capable of accurately meeting the diversified and sophisticated needs of its customers to be a key initiative and has formulated a human resource development plan. Through the implementation of our human resource development plan, the responsiveness and proposal capabilities of each and every employee will be strengthened, while working to develop core personnel who support Kyokuto Group's unique financial services on an ongoing basis.

The Kyokuto Group will organize its internal systems to improve the motivation of employees and to maintain a work environment that allows all employees to work at a high level of performance. Furthermore, in order for the Kyokuto Group to achieve sustainable growth and development in line with changes in the times and business environment, it will implement measures for retaining and cultivating necessary talent from a medium- to long-term perspective.

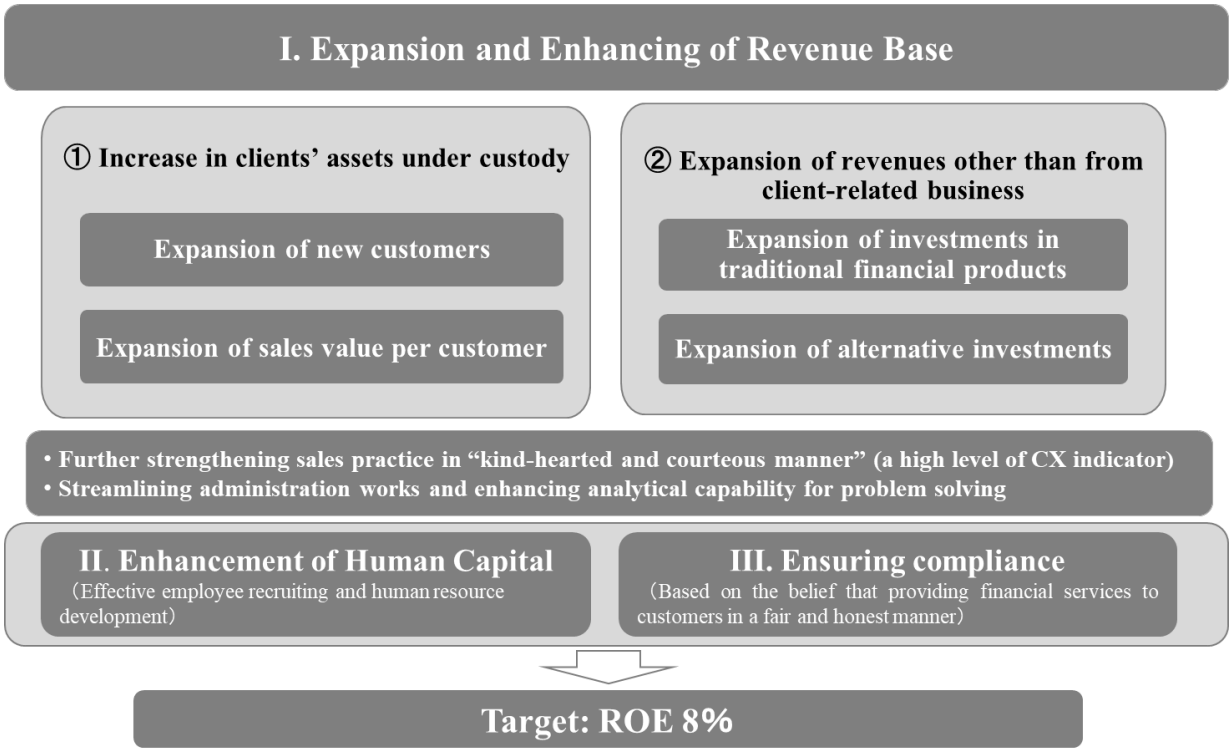
c. Ensuring Strict Compliance

The Kyokuto Group believes that providing financial services to customers in a “fair and honest” manner in accordance with its corporate philosophy will enhance customers’ satisfaction and contribute to enhancement of its profitability.

To that end, the Kyokuto Group aims to facilitate the thorough implementation of “fair and honest” business conducts under its “Policy for Customer-oriented Business Conducts.” As part of that, it is necessary to ensure strict compliance with laws, regulations, and various rules, while continuously promoting its environment that allows for the performance of duties based on a higher sense of ethics.

Through these efforts, the Kyokuto Group will work towards further promoting a Face to Face business model that emphasizes customer-oriented compliance.

<Overview of the Medium-Term Business Plan>



(4) Policy on Determination of Dividends from Surplus, etc.

As part of efforts to increase shareholder value, the Company consider it is one of its important management policies to return profits to its shareholders aggressively.
The Company's dividends payout policy is as follows.

[Dividends Payout Policy]
The dividends amount shall be determined based either a consolidated dividends payout ratio of 70% or a consolidated dividend on equity ratio (DOE) of 2%, whichever of the calculated values is higher, in conjunction with a comprehensive assessment of the Company's capital level, medium- to long-term business performance trends, and stock price, etc.

Based on the Company's basic corporate policy, dividends are paid out twice a year as interim and year-end dividends. The Articles of Incorporation stipulate that the Company may pay dividends from surplus, etc. by a resolution of the meeting of the Board of Directors rather than by a resolution at the General Meeting of Shareholders pursuant to Article 459, paragraph (1) and Article 460, paragraph (1) of the Companies Act.

For the year-end dividend payout for the current fiscal year, the Company has adopted the aforementioned criteria for the amount calculated according to the consolidated dividend payout ratio. It was resolved at the meeting of the Board of Directors held on April 24, 2026 to pay a dividend of 60 yen per share (annual dividend of 110 yen per share in conjunction with the interim dividend of 50 yen per share that has already been paid).

Please note that the changes in amount of dividends from surplus in the three most recent fiscal years are as follows.

Item	80th Fiscal Year (April 1, 2022 to March 31, 2023)	81th Fiscal Year (April 1, 2023 to March 31, 2024)	82nd Fiscal Year (April 1, 2024 to March 31, 2025)	83rd Fiscal Year (April 1, 2025 to March 31, 2026)
Interim dividend	15 yen	30 yen	50 yen	50 yen
Year-end dividend	15	80	60	60
Annual dividend	30	110	110	110