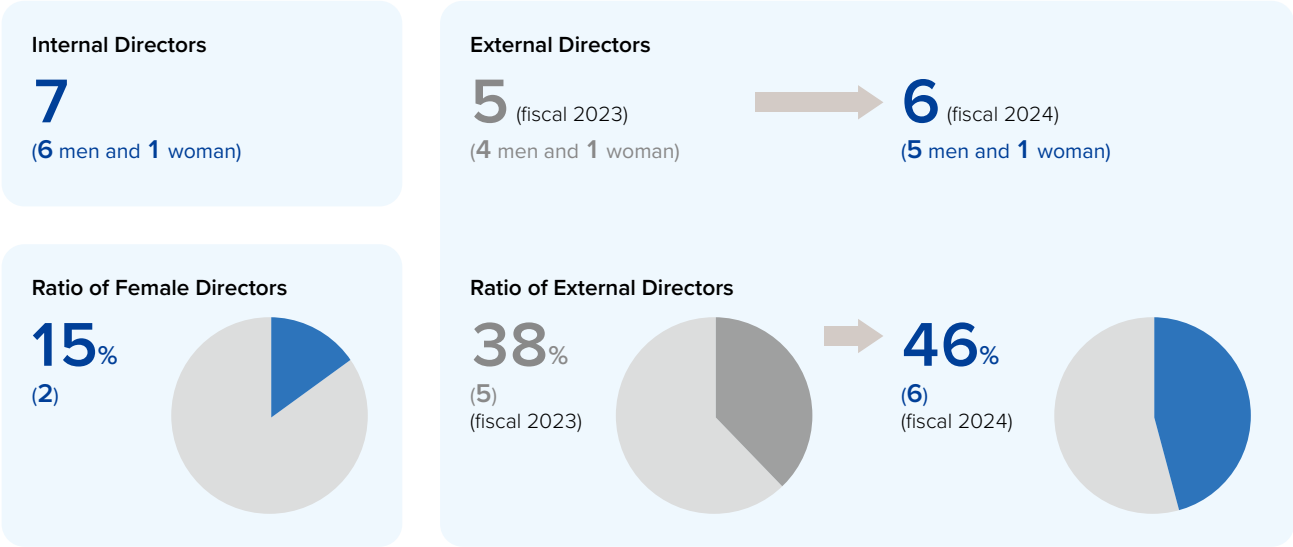


Evolution of Tokyo Century’s Corporate Governance System

Composition of Board of Directors Contributing to Improved Corporate Value (As of June 24, 2024)

Tokyo Century seeks to ensure that its Board of Directors is able to appropriately exercise its management oversight and advisory functions. To this end, we are implementing various diversity-minded initiatives, including increasing the numbers of female and external directors, to strengthen corporate governance.



Major Items Raised at Meetings of the Board of Directors in Fiscal 2023

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|-----------------------------|---|---|---|
| Medium-term management plan | <ul style="list-style-type: none">Medium-Term Management Plan 2027Profit target formulation and progress management | General Meeting of Shareholders, investor relations, and stocks | <ul style="list-style-type: none">Investor relations activity reportsGeneral meeting of shareholdersStock splitResponse to a request from Tokyo Stock Exchange on disclosure of information regarding management emphasizing cost of capital and stock price |
| Sustainability | <ul style="list-style-type: none">Reports from Sustainability Committee | Risk management, compliance, and auditing | <ul style="list-style-type: none">Compliance initiative plan and status reportsAudit plan and reportsRisk management status reports |
| Officers | <ul style="list-style-type: none">Nomination and appointment of officersDirector compensationReports on conflicts of interest among directorsDirectors and officers liability insurance policiesAllocation of stock options | Individual items, etc. | <ul style="list-style-type: none">Stock acquisitions/sales and investments exceeding predetermined amountInvestment management framework monitoring reportSystem investmentFund procurement in fiscal 2024 |
| Governance | <ul style="list-style-type: none">Evaluation of Board of Directors’ effectiveness and report thereonDetails of meetings of the Nomination Committee and the Compensation CommitteeVerification of holding rationale of cross-shareholdings | | |

Evaluation of the Effectiveness of the Board of Directors and Issues

Tokyo Century has established the Board Effectiveness Review Council as an advisory body to the Board of Directors. The council is membered by external directors designated as independent directors and corporate auditors and conducts an analysis and review of the effectiveness of the Board of Directors once a year, in principle, on aspects such as the effectiveness of its supervisory functions, status of deliberations, systems, and meeting proceedings, taking into account the self-evaluations submitted by all directors.

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| Issues Identified in Fiscal 2022 | Overall Business Portfolio Structure and Vision Discussions need to be advanced from a medium- to long-term perspective at free discussion and other forums on the overall structure of the Company’s business portfolio and its vision therefor with consideration paid to factors such as allocations of management resources and capital efficiency. |
| Evaluation in Fiscal 2023 | The Board of Directors was deemed to have engaged in comprehensive and spirited discussions on management strategy in line with Medium-Term Management Plan 2027. Specifically, free discussions were conducted on the topics of practicing management emphasizing cost of capital and share prices as well as of implementing human resource and organizational transformation, with the intention of linking management and human resource strategies to maintain a competitive advantage and achieve management goals. |
| Initiative Policy for Fiscal 2024 | The Board of Directors should engage in more in-depth discussions on portfolio transformation (pursuing a highly profitable and stable portfolio) and human resource and organizational transformation for enhancing medium- to long-term corporate value. |

Training for Directors and Corporate Auditors

To fulfill their expected roles and responsibilities as members of a body that oversees corporate governance, directors and corporate auditors, including newly appointed officers, are required to deepen their understanding of their roles and responsibilities as well as strive to acquire and appropriately build on their knowledge of necessary issues. Upon their appointment, directors and corporate auditors, including external directors and external corporate auditors, receive a briefing providing the necessary knowledge on matters such as the Company’s business, finances, and organization to help them develop a sufficient understanding to fulfill their roles and responsibilities (including legal responsibilities). Tokyo Century also organizes training sessions and information-sharing meetings for officers as opportunities for receiving continuous updates after they are appointed.

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| Officer training sessions | Officer training sessions are held twice a year, in principle, as opportunities to discuss management issues pertaining to the medium-term management plan, management emphasizing cost of capital, digital transformation, and other matters in order to gain a better understanding of the matters necessary to make future management decisions. |
| Free discussions | Free discussions on various management issues are arranged as necessary after meetings of the Board of Directors. In fiscal 2023, discussions took place from the perspective of human resource and organizational transformation, and the following issues were identified. <ul style="list-style-type: none">Need to clarify roles of mid-level employees and enhance training programs and support systems accordinglyImportance to corporate growth of recruiting desired human resources and having each employee generate value |
| Others | In addition to the above, meetings of division and branch heads and other opportunities are used to confirm conditions and management issues in specific operating segments, and information-sharing meetings for external directors are also organized. |