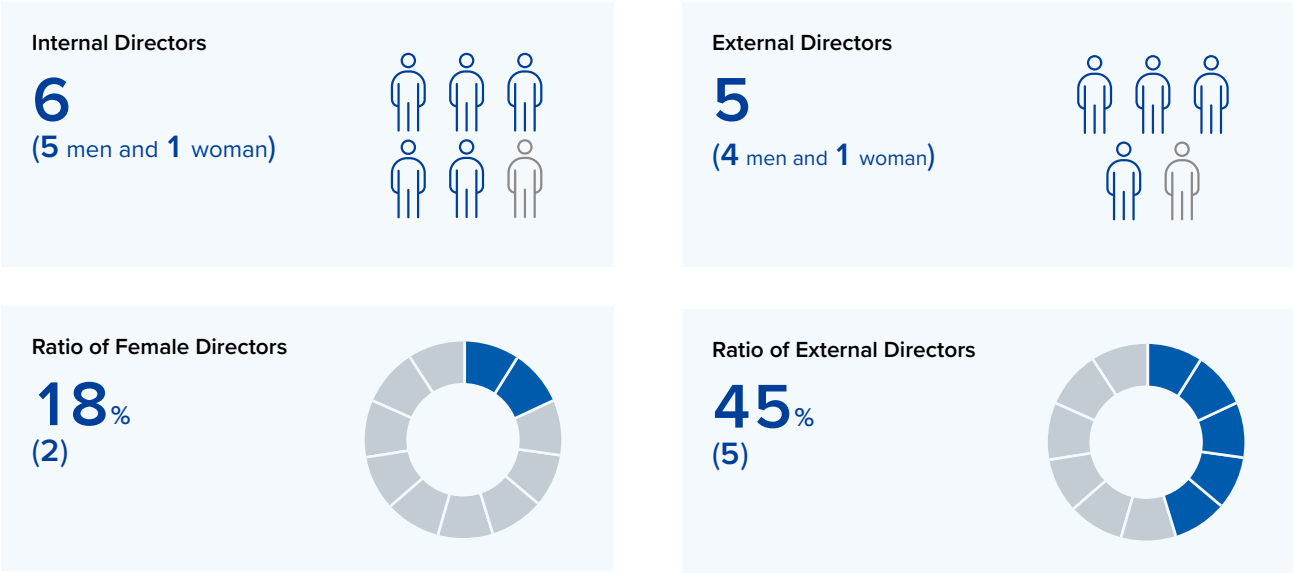


Evolution of Tokyo Century’s Corporate Governance System

Composition of Board of Directors Contributing to Improved Corporate Value (As of June 23, 2025)

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 2024

Management strategies and sustainability	<ul style="list-style-type: none">Profit target formulation and progress managementReports from Sustainability Committee	General Meeting of Shareholders, investor relations, and stocks	<ul style="list-style-type: none">Investor relations activity reportsGeneral Meeting of Shareholders
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	Risk management, compliance, and auditing	<ul style="list-style-type: none">Compliance initiative plans, status reportsAudit plans, implementation reportsRisk management status reports
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-shareholdingsDecision on the details of the officer compensation system	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

Evaluation of the Effectiveness of the Board of Directors and Issues

The Board Effectiveness Review Council serves as an advisory body to the Board of Directors. This council, which is composed of independent external directors and corporate auditors, is principally held once a year. The council analyzes and reviews the effectiveness of the Board of Directors, focusing on its supervisory functions, the status of deliberations, systems, and meeting proceedings, while taking into account the self-evaluations submitted by all directors.

Fiscal 2024 Evaluation	<p>Medium-Term Management Plan 2027</p> <p>The Board of Directors discussed actions needed in key areas. These included measures to improve share prices based on management emphasizing cost of capital and share prices; solving organizational issues by operating segment based on the employee engagement survey results; and determining the initiatives to achieve the goals of Medium-Term Management Plan 2027 and ensure sustainable growth.</p> <p>Independent external directors</p> <p>At meetings of the Board of Directors, Nomination Committee, Compensation Committee, Board Effectiveness Review Council, etc., independent external directors appropriately fulfilled their roles and responsibilities, including management oversight. They achieved this by actively offering objective opinions, leveraging their diverse knowledge from their independent standpoints.</p> <p>Composition of the Board of Directors</p> <p>The composition was appropriate and proper as diversity was promoted, further enhancing the balance of knowledge, experience, and abilities. It is essential to further deepen discussions on the nature of the oversight function from the perspective of improving the effectiveness of the Board of Directors. It is also necessary to continue to consider diversity, including the internal and external composition of the Board of Directors, as well as gender and internationality.</p>
Initiative Policy for Fiscal 2025	<p>The Board of Directors shall engage in more in-depth discussions on the improvement of the Company's corporate value and the direction of the business portfolio strategy, focusing on specific themes. It shall also promote a review of Board of Directors' meeting agenda items and themes to ensure opportunities for discussion.</p>

Training and Information Provision for Directors and Corporate Auditors

Tokyo Century offers opportunities for directors and corporate auditors, including newly appointed ones, to deepen their understanding and continuously acquire and update the necessary knowledge to appropriately fulfill their expected roles and responsibilities in corporate governance. Upon appointment, the Company provides them with a comprehensive explanation of its business, financial situation, organization, and corporate governance structure. Even after appointment, the Company regularly organizes training sessions and information-sharing meetings for officers to help deepen their understanding of changes in the management environment and important issues.

In addition, prior to meetings of the Board of Directors, Tokyo Century provides preliminary explanations of the agenda items and actively strives to create opportunities for discussion with the executive side. This practice helps correct information gaps between internal and external parties.

Officer training sessions	<p>In principle, off-site meetings are held twice a year to discuss key management issues. These topics include the medium-term management plan, management emphasizing cost of capital and share prices, and digital transformation. The goal is to gain a better understanding of the matters necessary to make future management decisions.</p>
Free discussions	<p>Free discussions on various management issues are arranged as necessary after meetings of the Board of Directors.</p>
Others	<p>In addition to the above, meetings of division and branch heads and other opportunities are used to deepen the understanding of conditions and management issues in specific operating segments, and information-sharing meetings for external directors are also organized.</p>



Off-site officer training session












Evolution of Tokyo Century’s Corporate Governance System

*1 “Outside director” as stipulated by Article 2-15 of the Companies Act of Japan
*2 “Outside company auditor” as stipulated by Article 2-16 of the Companies Act of Japan
*3 Designated independent director or auditor as stipulated by the Tokyo Stock Exchange
*4 Number of meetings attended since assuming office as director (or corporate auditor) in June 2024
*5 Assumed office as director in June 2025





Committee membership legend:
ALM : Asset Liability Management Committee IC : Internal Control Committee CR : Comprehensive Risk Management Committee
CRM : Credit Risk Management Committee IT : IT and Administration Strategy Management Committee S : Sustainability Committee
IM : Investment Management Committee Chairperson

Management Team (As of June 23, 2025)

Directors

Name	Years of Service	Attendance at Board of Directors' Meetings (FY2024)	Number of Shares of the Company's Stock Held (in Thousands)	Areas of Expertise and Expected Contributions						Committee Appointments (◎: Chairperson)			Reasons for Appointment	Significant Concurrent Positions
				Corporate Management	Global Operations	Finance / Risk Management	Legal Affairs / Accounting / Taxation	Sustainability	IT / Digital Transformation	Nomination Committee	Compensation Committee	Other		
 Masataka Yukiya Chairman & Co-CEO, Representative Director	14	13/13 (100%)	40.5	●		●		●	●	●	●	ALM IT	Based on his extensive experience and broad knowledge gained through corporate management and operational execution in fields including sales and finance at ITOCHU Corporation, Mr. Yukiya is deemed capable of appropriately managing and overseeing the Company, thereby contributing to its ongoing growth and improvement of corporate value.	—
 Koji Fujiwara President & CEO, Representative Director	1	11/11 (100%)*4	1.5	●	●	●		●		●	●	ALM IT	Based on his extensive experience and broad knowledge gained from his long tenure in corporate management as the president of Mizuho Bank, Ltd., Mr. Fujiwara is deemed capable of appropriately managing and overseeing the Company, thereby contributing to its ongoing growth and improvement of corporate value.	—
 Akio Nakamura External Director ^{*1,3}	9	13/13 (100%)	14.6	●		●	●			●	◎	—	Based on the wealth of insight into government finance and taxation gained through his experience as director-general of the Financial Bureau of the Ministry of Finance, Mr. Nakamura is deemed capable of providing accurate advice on the Company's overall management from an objective standpoint and offering management oversight from an independent perspective, thereby contributing to its ongoing growth and improvement of corporate value.	Special Partner, Tanabe & Partners Representative Executive Officer, President and CEO, Japan Securities Depository Center, Incorporated President and CEO, JASDEC DVP Clearing Corporation Outside Director (Audit and Supervisory Committee Member), ipet Insurance Co., Ltd.
 Toshio Asano External Director ^{*1,3}	6	13/13 (100%)	10.0	●	●			●		◎	●	—	Based on his extensive experience and broad knowledge gained through his involvement in corporate management as an executive at Asahi Kasei Corporation, Mr. Asano is deemed capable of utilizing this expertise in the management of the Company and providing management oversight from an independent perspective, thereby contributing to its ongoing growth and improvement of corporate value.	Outside Director, Medipal Holdings Corporation Outside Director, Daicel Corporation Special Advisor, Asahi Kasei Corporation Chairman, Cancer Institute Foundation
 Miho Tanaka External Director ^{*1,3}	4	13/13 (100%)	0.9			●	●	●		●	●	—	Based on her abundant knowledge and experience, particularly in corporate legal affairs and M&A, as an attorney, Ms. Tanaka is deemed capable of utilizing this exceptional insight and expertise in the management of the Company and providing management oversight from an independent perspective, thereby contributing to its ongoing growth and improvement of corporate value.	Partner, Shiba & Tanaka Law Office Outside Director, Solasto Corporation Supervisory Director, marimo Regional Revitalization REIT, Inc. Supervisory Director, JINUSHI Private REIT, Inc.
 Tsuyoshi Numagami External Director ^{*1,3}	3	13/13 (100%)	6.9	●	●			●		●	●	—	Based on his deep academic knowledge as a corporate management researcher—particularly in corporate strategy and organizational structure—gained through his experience as professor emeritus of Hitotsubashi University, Mr. Numagami is deemed capable of utilizing his exceptional insight and knowledge in the management of the Company and providing management oversight from an independent perspective, thereby contributing to its ongoing growth and improvement of corporate value.	Professor Emeritus, Hitotsubashi University Outside Audit & Supervisory Board member, JFE Holdings, Inc. Professor, Waseda University Institute for Business and Finance Outside Director, EBARA CORPORATION
 Hiroshi Ogasawara External Director ^{*1,3}	1	11/11 (100%)*4	0.5	●	●			●	●	●	●	—	Based on his extensive experience and broad knowledge gained from his long tenure in corporate management as an executive at YASKAWA Electric Corporation, Mr. Ogasawara is deemed capable of utilizing this expertise in the management of the Company and providing management oversight from an independent perspective, thereby contributing to its ongoing growth and improvement of corporate value.	Representative Director, Chairman of the Board, YASKAWA Electric Corporation Outside Director, Kyushu Railway Company
 Mahoko Hara Director, Senior Managing Executive Officer	3	13/13 (100%)	12.0		●	●		●	●	—	—	—	Based on her extensive experience and broad insight gained in operational execution in fields including planning and product development at The Dai-ichi Kangyo Bank, Ltd. and Shinsei Bank, Ltd., as well as overseas and sales at the Company, Ms. Hara is deemed capable of utilizing this expertise in appropriately managing and overseeing the Company, thereby contributing to its ongoing growth and improvement of corporate value.	Executive Chairperson, Aviation Capital Group LLC
 Tatsuya Hirasaki Director, Senior Managing Executive Officer	4	13/13 (100%)	18.0			●	●	●	●	—	—	ALM IC CR CRM IT S IM	Based on his extensive experience and broad knowledge gained in operational execution in fields including accounting and corporate planning at the Company, Mr. Hirasaki is deemed capable of utilizing this expertise in appropriately managing and overseeing the Company, thereby contributing to its ongoing growth and improvement of corporate value.	Outside Director, MUFG Finance & Leasing Co., Ltd.
 Takashi Yonetsu Director, Senior Managing Executive Officer	—*5	—*5	6.5			●	●	●		—	—	ALM CR	Based on his extensive experience and broad insight gained in operational execution in fields including finance at Mizuho Bank, Ltd. and the Company, Mr. Yonetsu is deemed capable of utilizing this expertise to contribute to the Company's ongoing growth and medium- to long-term improvement of corporate value.	—
 Masahiro Imai Director	—*5	—*5	—	●	●			●		—	—	—	Based on his extensive experience and broad insight gained through corporate management at ITOCHU Corporation, Mr. Imai is deemed capable of utilizing this expertise to contribute to the Company's ongoing growth and medium- to long-term improvement of corporate value.	—

Corporate Auditors

Name	Attendance at Audit and Supervisory Board Meetings (FY2024)	Number of Shares of the Company's Stock Held (in Thousands)	Significant Concurrent Positions	Name	Attendance at Audit and Supervisory Board Meetings (FY2024)	Number of Shares of the Company's Stock Held (in Thousands)	Significant Concurrent Positions
 Katsuya Amamoto Standing Corporate Auditor	8/8 (100%)	20.9	Auditor, Amada Lease Co., Ltd. Auditor, ITOCHU TC Construction Machinery Co., Ltd. Auditor, NX・TC Lease & Finance Co., Ltd. Auditor, IHI Finance Support Corporation	 Masao Fujieda Corporate Auditor External Corporate Auditor ^{2,3}	8/8 (100%)	—	Representative, Fujieda Masao Tax Accounting Office Auditor, NIP Corporation
 Yoshio Nomura Standing Corporate Auditor	8/8 (100%)	79.1	Auditor, Nippon Car Solutions Co., Ltd. Auditor, FFG Lease Co., Ltd. Auditor, A&Tm Corporation Auditor, Orico Business Leasing Co., Ltd. Auditor, Orico Auto Leasing Co., Ltd.	 Maiko Chihara Corporate Auditor External Corporate Auditor ^{2,3}	6/6*4 (100%)	—	Partner, Kataoka & Kobayashi Legal Professional Corporation Supervisory Officer, Tokio Marine Private REIT, Inc. Outside Director (Audit and Supervisory Committee Member), Visional, Inc. Outside Director (Audit and Supervisory Committee Member), Mitsui DM Sugar Co., Ltd.

Evolution of Tokyo Century's Corporate Governance System

Management Structure Comprising Optimal Committees

➔ Board of Directors

The Board of Directors deliberates on and makes decisions about the policies, strategies, business plans, and other key management issues of the Company and Group companies as well as matters specified by prevailing laws and regulations, the Articles of Incorporation, and rules governing the Board. It also supervises the execution of operations by directors and executive officers.

Chairperson: Koji Fujiwara, President & CEO,
Representative Director
(as determined by resolution of the Board of Directors)

Number of Members: **11**
(including 5 external directors)

➔ Board of Corporate Auditors

The Board of Corporate Auditors meets regularly and executes independent and fair audits of the compliance and appropriateness of corporate activities, including the performance of duties by directors and executive officers.

Chairperson: Katsuya Amamoto,
Standing Corporate Auditor

Number of Members: **4**
(including 2 external corporate auditors)

➔ Management Meeting

The meeting deliberates on particularly important matters concerning the execution of operations and makes decisions for the Tokyo Century Group.

Chairperson: Koji Fujiwara
Number of Members: **7**

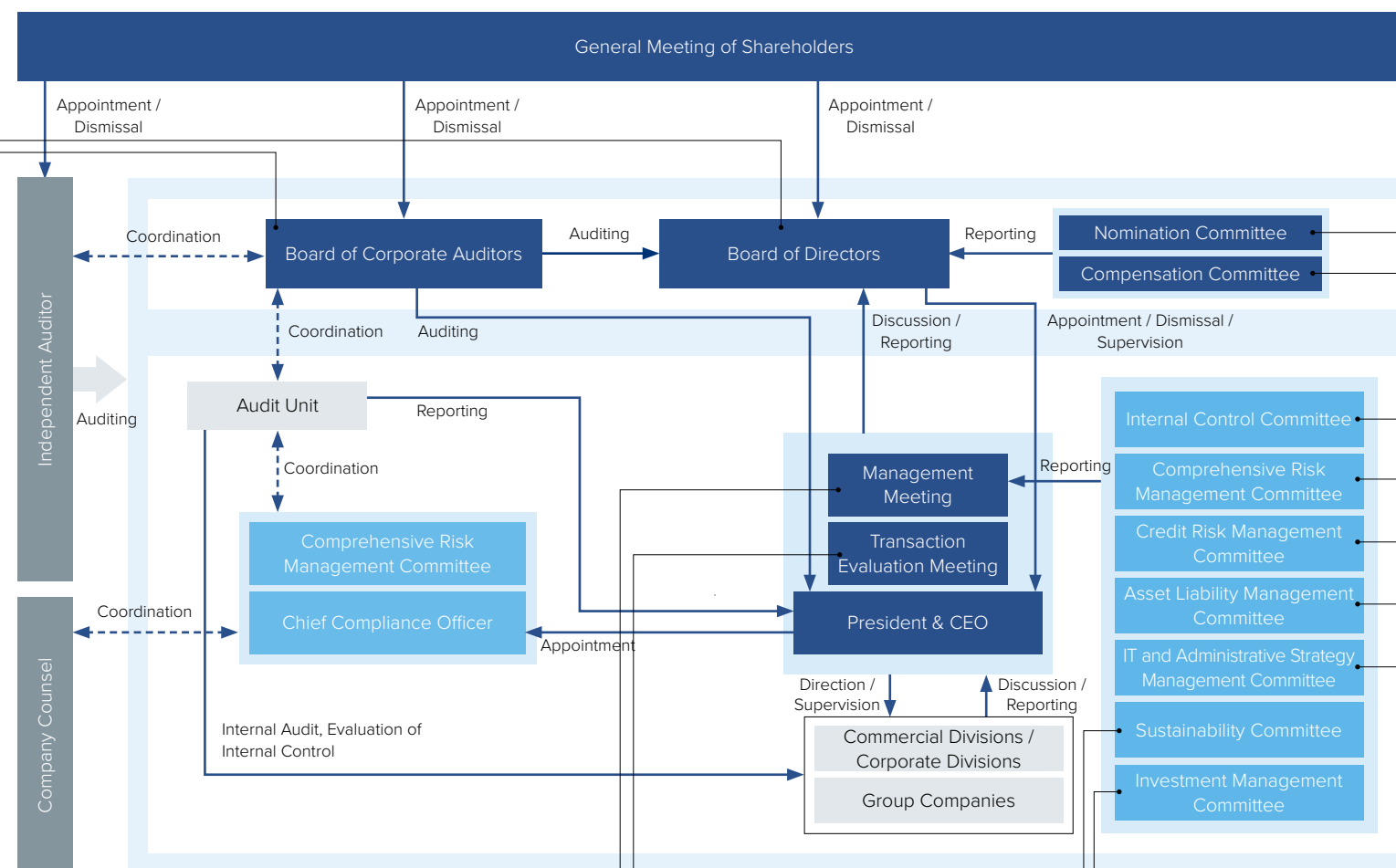
Once
a week, in
principle

➔ Transaction Evaluation Meeting

The meeting discusses and makes decisions about major business transactions being considered by Tokyo Century and Group companies as well as transactions that warrant complex risk analysis.

Chairperson: Seiji Tsuboi, Executive Officer
Number of Members: **8**

Once
a week, in
principle



➔ Nomination Committee

The committee serves as an advisory body to the Board of Directors and is primarily composed of external directors. It deliberates on the nomination of candidates for director and corporate auditor positions and reports to the Board of Directors.

➔ Compensation Committee

The committee serves as an advisory body to the Board of Directors and is primarily composed of external directors. It discusses matters such as director compensation systems and policies and reports to the Board of Directors.

➔ Internal Control Committee

The committee discusses general internal control matters, including the evaluation of the effectiveness of the financial reporting system and the scope of evaluation, in order to ensure the internal control system functions effectively, and reports to the Management Meeting.

➔ Comprehensive Risk Management Committee

The committee discusses matters such as the construction of the risk management system and approaches to measuring risk while periodically assessing the Company's risk exposure and reporting to the Management Meeting.

➔ Credit Risk Management Committee

The committee discusses matters including the Tokyo Century Group's credit portfolio as a whole and credit risk management and reports to the Management Meeting.

➔ Asset Liability Management Committee

The committee discusses matters relevant to managing market, liquidity, and other risks—in order to identify and minimize the exposure of assets and liabilities to risks, including fluctuations in interest and foreign currency exchange rates—and reports to the Management Meeting.

➔ IT and Administration Strategy Management Committee

The committee discusses matters including the IT strategies, IT investment plans, and administrative system plans of Tokyo Century and Group companies and reports to the Management Meeting.

➔ Investment Management Committee

The committee facilitates appropriate investment management by deliberating on matters related to the development and implementation of investment management structures and the assessment of large-scale investment projects and reports to the Management Meeting.

➔ Sustainability Committee

The committee plans, promotes, and oversees the Tokyo Century Group's sustainability activities, discusses important issues related to sustainability, and reports to the Management Meeting.

Meetings Held in Fiscal 2024

Evolution of Tokyo Century’s Corporate Governance System

Officer Compensation

Officer Compensation System Policies

As part of the officer compensation system, director compensation policies call for the provision of healthy incentives to contribute to the ongoing growth of the Company and frameworks for linking compensation to the medium- to long-term development of its businesses. The system for director compensation is designed to raise directors’ awareness regarding the enhancement of shareholder value by aligning the interests of directors with those of shareholders. Moreover, this system aims to attract outstanding talent in order to allow the Company to recruit and cultivate individuals who can drive the improvement of the Company’s corporate value.

Revision of Officer Compensation System and Goals Thereof

The Company resolved to revise its officer compensation system and to introduce a performance-linked stock compensation plan at the 55th Annual General Meeting of Shareholders on June 24, 2024. The new plan further clarifies how compensation paid to directors and officers is linked to the business performance and stock value of the Company by having them share both the benefits of stock price increases and the risk of stock price declines with shareholders, in order to raise the awareness of directors and officers so they will contribute to improving business performance and to enhancing corporate value over the medium to long term.

Overview of Revision

- ➔ Transition from quantitative and qualitative evaluation based on ordinary income when determining performance-based compensation to evaluation based on indicators prescribed by Medium-Term Management Plan 2027
- ➔ Abolition of stock options as portion of performance-based compensation and introduction of new Board Benefit Trust-Restricted Stock (BBT-RS) system
- ➔ Evaluation under new system in fiscal 2024 and commencement of compensation based on evaluation under new system in fiscal 2025

Key Points of Revision

- 1

Adoption of net income attributable to owners of parent, consolidated ROA, and consolidated ROE, indicators for which targets have been set in the medium-term management plan, as financial indicators for determining performance-based compensation
- 2

Definition of “Achievement in TCX (TC Transformation)—Promotion of ESG Initiatives/Value Creation Process—” as non-financial indicator for determining performance-based compensation
- Achievement in TCX (TC Transformation)—Promotion of ESG Initiatives/Value Creation Process

Portfolio Transformation	■ Assessment of qualitative improvements not reflected by financial indicators of ROA and ROE ■ Evaluation of growth investments that contribute to improvements in future profitability
Human Resource and Organizational Transformation	■ Revision of training, career development support, compensation, and evaluation systems; reevaluation of organizational roles and positioning; and promotion of reforms to organizational culture ■ Reflection of Companywide employee engagement survey results in evaluations
Green Transformation	■ Creation of carbon-neutrality-related businesses and promotion of cross-organizational coordination
Digital Transformation	■ Utilization of digital technologies to improve operational efficiency, streamline and increase profitability in existing businesses, and create new businesses
- 3

Implementation of provisions to align officers’ interests with those of stakeholders and to heighten awareness for improvements in shareholder value

Compensation Committee

Overview of the Compensation Committee

Tokyo Century has established the Compensation Committee as an advisory body to the Board of Directors in order to ensure the independence of its functions. This committee comprises a majority of independent external directors. The Compensation Committee discusses matters such as compensation amounts, systems, and policies and reports to the Board of Directors on these matters.

Committee Members

Chairperson:	External Director	Akio Nakamura	Total 7 members
Members:	External Directors	Toshio Asano, Miho Tanaka, Tsuyoshi Numagami, Hiroshi Ogasawara	
	Directors	Masataka Yukiya, Koji Fujiwara	

Number of Meetings Held in Fiscal 2024

5 times

Major Topics of Discussions

The Compensation Committee deliberated on the details of the evaluation method for performance-based compensation (officer bonuses and stock compensation) revised by the resolution of the General Meeting of Shareholders in fiscal 2024 and on officer compensation in fiscal 2025.

Officer Compensation System

	Basic Compensation	Bonuses	Stock-Based Compensation (BBT-RS)																
	Fixed Compensation	Short-Term Performance-Based Compensation	Medium- to Long-Term Performance-Based Compensation																
Fixed / variable compensation	Determined based on comprehensive consideration of duties, roles, and responsibilities	Determined according to achievements and performance	Number of shares determined based on medium- to long-term business performance, including initiatives that contribute to the enhancement of the Company's corporate value and its business performance over the medium to long term																
Ratios of compensation (Basic compensation indexed to 1)	1.0	<table><tr><td>Representative directors</td><td>0–0.8</td><td>0–1.2</td></tr><tr><td>Directors</td><td>0–1.0</td><td>0–1.0</td></tr></table>	Representative directors	0–0.8	0–1.2	Directors	0–1.0	0–1.0											
Representative directors	0–0.8	0–1.2																	
Directors	0–1.0	0–1.0																	
Process for determining individual compensation amounts	Decision by president based on authority delegated by the Board of Directors and with reference to report submitted by the Compensation Committee, input from external experts, and research data on compensation levels by third-party institutions																		
Evaluation / payment standards	Rank (Duties, roles, responsibilities, etc.)	<div>Net income attributable to owners of parent 1</div> <div>Fiscal 2024 Performance</div> <div>¥85,279 million</div>	<table><tr><td>Financial</td><td>Consolidated ROA and ROE 1</td></tr><tr><td></td><td>Fiscal 2024 Performance</td></tr><tr><td></td><td>ROA 1.3%; ROE 9.0%</td></tr><tr><td>Non-financial</td><td>TCX Initiatives 2</td></tr><tr><td></td><td>Evaluation is determined through deliberation by the Compensation Committee.</td></tr><tr><td>Market evaluation</td><td>The Company's stock price growth rate 3</td></tr><tr><td></td><td>Fiscal 2024 Performance</td></tr><tr><td></td><td>94% (The Company's stock price growth relative to TOPIX)</td></tr></table>	Financial	Consolidated ROA and ROE 1		Fiscal 2024 Performance		ROA 1.3%; ROE 9.0%	Non-financial	TCX Initiatives 2		Evaluation is determined through deliberation by the Compensation Committee.	Market evaluation	The Company's stock price growth rate 3		Fiscal 2024 Performance		94% (The Company's stock price growth relative to TOPIX)
Financial	Consolidated ROA and ROE 1																		
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Market evaluation	The Company's stock price growth rate 3																		
	Fiscal 2024 Performance																		
	94% (The Company's stock price growth relative to TOPIX)																		
Payment form / timing	Monetary / monthly	Monetary / once a year	<div>Stock / once a year</div> <div>Transfer restriction applied for a set period after resignation</div> <div>Note: Monetary payments equivalent to a predetermined amount of issued stock are made after retirement. Malus clauses are applied.</div>																
Annual compensation limits	Upper limit of ¥1 billion (¥100 million for external directors)		<div>Upper limit of 281,300 points (equivalent to 281,300 shares)</div> <div>Not including executive officer compensation</div>																
Date of resolution at General Meeting of Shareholders	June 24, 2016		June 24, 2024																
Note: External directors are only paid basic compensation.			<div></div> Provisions introduced as part of revision																

Payment of Officer Compensation Amounts

Compensation and Eligible Officers in Fiscal 2024

Officer Category	Total Compensation (Millions of Yen)	Total Compensation by Type (Millions of Yen)			Number of Eligible Officers
		Fixed Compensation	Performance-Based Compensation	Non-Monetary Compensation	
Directors (excluding external directors)	810	368	197	245	8
Corporate auditors (excluding external corporate auditors)	51	51	—	—	2
External directors and external corporate auditors	126	126	—	—	10

Notes: 1. Stock options provided as performance-based compensation, as well as stock-based compensation under the BBT-RS system, are accounted for under “Non-monetary compensation,” although they constitute performance-based compensation. Accordingly, amounts of stock options provided as stock-based compensation, as well as stock-based compensation under the BBT-RS system, are not included under “Performance-based compensation.”
2. The total amounts of compensation mentioned above include payments to two directors and one corporate auditor who retired as of June 24, 2024.

Nomination Committee

Message from the Chairperson of the Nomination Committee



Toshio Asano
External Director, Chairperson of the Nomination Committee

As an advisory body to the Board of Directors, the Nomination Committee deliberates and reports on the president succession plan, the appointment and dismissal of directors, and the selection and dismissal of the president.

In fiscal 2024, in selecting the next candidate for president, we conducted interviews with the candidates to determine their suitability for the role. After deliberation in the committee, with the unanimous agreement of all members, we recommended the candidate to the Board of Directors.

The Nomination Committee also continuously discusses the development of future management candidates who will be responsible for the Company’s future.

We will continue to contribute to the further enhancement of Tokyo Century’s corporate value by promoting lively discussions at meetings of the Board of Directors through the pursuit of a highly effective officer composition that can leverage diverse knowledge.

Nomination Committee

Overview of the Nomination Committee

As an advisory body to the Board of Directors, Tokyo Century has established the Nomination Committee primarily consisting of external directors. The committee deliberates on the nomination of candidates for director and corporate auditor positions and reports to the Board of Directors.

Committee Members

Chairperson:	External Director	Toshio Asano	Total 7 members
Members:	External Directors	Akio Nakamura, Miho Tanaka, Tsuyoshi Numagami, Hiroshi Ogasawara	
	Directors	Masataka Yukiya, Koji Fujiwara	

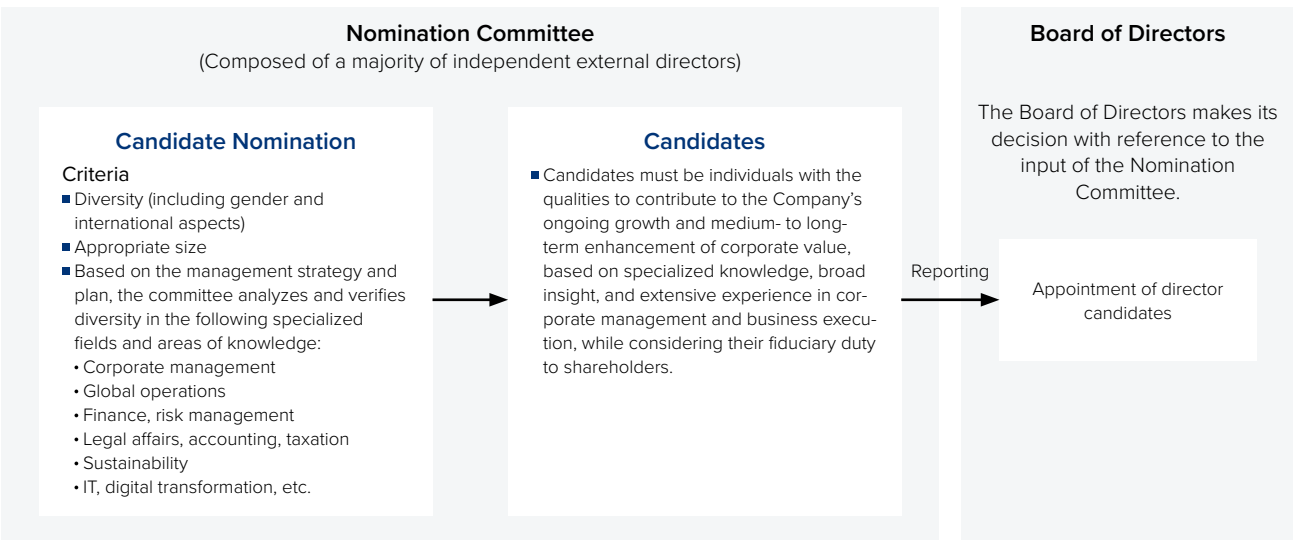
Number of Meetings Held in Fiscal 2024

8 times

Main Topics of Discussions

The Nomination Committee deliberated on the selection of the next president, the appointment of director candidates, and the skills and expertise (skill matrix) required of its directors based on its management strategy.

Nomination Process



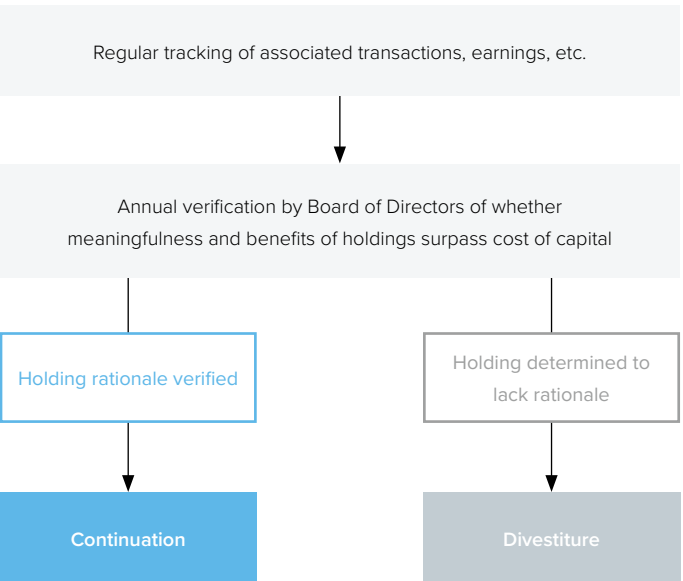
Cross-Shareholdings

The Company holds investment securities for purposes other than pure investment. These securities are the shares of the stock issued by important stakeholders of the Tokyo Century Group, including business partners, shareholders, and lenders, and are held based on their necessity to the medium- to long-term business activities of the Company.

Policy on the Exercise of Voting Rights

The decision to approve or reject agenda items is made by the division in charge of exercising voting rights (the Corporate Planning Unit) after consultation with commercial divisions and the Credit Supervision Unit, among others. The Company has also established internal procedures regarding the exercise of voting rights to provide a checklist and clarify the related process. With regard to items that may damage the corporate value of the issuer of the shares or Tokyo Century’s interests as a shareholder, we determine approval or rejection after confirming the content and impact.

Process for Reviewing Holdings

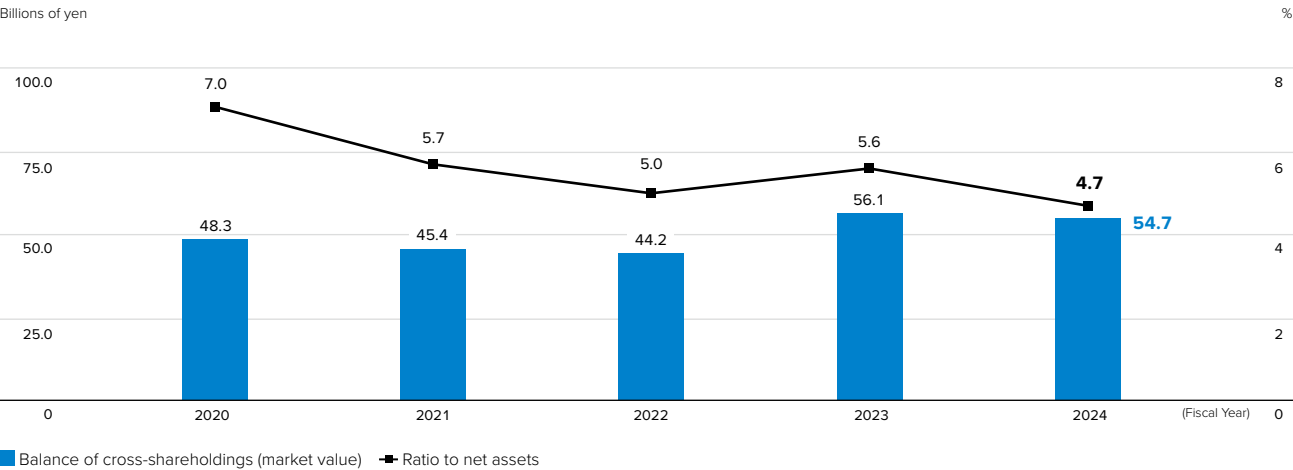


Divestitures

Number of holdings reduced and sales amounts

	Number of Holdings Reduced	Sales Amounts (Billions of yen)
FY2020	9	2.9
FY2021	4	0.5
FY2022	15	5.6
FY2023	5	1.1
FY2024	8	11.4
5-year aggregate	41	21.4

Balance of Cross-Shareholdings and Ratio to Net Assets



Evolution of Tokyo Century’s Corporate Governance System

Protection of Minority Shareholders

ITOCHU Corporation owns 29.99% of the voting rights in Tokyo Century, and the Company is thus an equity-method affiliate of ITOCHU. No ITOCHU officers concurrently serve as officers of the Company. However, ITOCHU has seconded 15 individuals to the Company who have immediately applicable skills necessary for supplementing the Company’s operational execution capabilities (as of April 1, 2025).

The Company engages in business transactions with ITOCHU and ITOCHU Group companies. Negotiations regarding said transactions are conducted with these companies on an individual basis, as would be done with a standard transaction counterparty, and the Company’s own decision criteria are applied to these transactions. Accordingly, ITOCHU does not impose any restrictions on the business activities of the Company, and the Company maintains a certain degree of independence from ITOCHU. We are determined to ensure that this relationship does not threaten the interests of minority shareholders.

Board of Corporate Auditors

Overview of the Board of Corporate Auditors

The Board of Corporate Auditors is composed of a total of four members: two standing corporate auditors and two part-time corporate auditors (external auditors). It meets regularly and executes independent and fair audits of the compliance and appropriateness of corporate activities, including the performance of duties by directors and executive officers.

System to Ensure Effective Auditing by Corporate Auditors

- Tokyo Century has established the following system to ensure that audits by corporate auditors are conducted effectively.
- Corporate auditors attend meetings of the Board of Directors, Management Meeting, Transaction Evaluation Meeting, etc., to receive important reports.
 - Reports are also made to corporate auditors in the case of reports through the consultation and reporting system, or in the event of crisis situations such as fraudulent incidents or large-scale disasters. Regarding reports through the consultation and reporting system, a standing corporate auditor serves as one of the internal contact points.
 - Corporate auditors can view important documents related to management at any time.
 - Officers and employees of the Company and its Group companies are required to promptly report on matters related to the execution of their duties when requested by a corporate auditor.
 - The Auditors Office is established under the corporate auditors, and employees are assigned as staff to assist corporate auditors in their duties. Furthermore, the independence of these employees from the directors is ensured by, for example, obtaining the prior consent of corporate auditors for their personnel transfers and evaluations.
 - The president and corporate auditors hold regular meetings to facilitate mutual communication.
 - Corporate auditors collaborate with the independent auditor and the internal audit department on a regular basis and as needed to exchange opinions and information.

Activities of Corporate Auditors and the Board of Corporate Auditors

Corporate auditors attend meetings of the Board of Directors, the Management Meeting, and seven key committees, including the Investment Management Committee, and other important meetings. They audit the status of duty execution by directors and executive officers, the status of the development and operation of the internal control system, the content of deliberations at each meeting body, and express their opinions as necessary.

Having set the confirmation of the development status of the internal control system and the deepening of involvement in Group company audits as key audit items, the Board of Corporate Auditors has established audit policies and division of duties. It receives reports from each corporate auditor on the status and results of their audits, as well as reports from the Board of Directors and the independent auditor on the progress of their duties, and requests explanations as necessary. To share information with part-time auditors, the Board of Corporate Auditors reports on important matters and cases that are not brought before the Board of Directors as needed. Furthermore, standing corporate auditors concurrently serve as auditors of major affiliated companies, and through close collaboration with the auditors of each company, they seek to thoroughly implement Group governance while understanding the actual situation of each company.

Their responsibilities also include investigating the permeation of management policies throughout the organization and frontline conditions through on-site audits of domestic branches and divisions and overseas subsidiaries. Corporate auditors, including part-time auditors, hold discussions with management through regular opinion exchange meetings with representative directors.

Members

Standing Corporate Auditors	Katsuya Amamoto, Yoshio Nomura	Total
External Corporate Auditors	Masao Fujieda, Maiko Chihara	4 members

Meetings Held in Fiscal 2024

8 times (average duration per meeting: approx. 1 hour)
Total number of agenda items discussed: 36

Internal Audit System

KEY POINT

Objective and Independent Audit System

The Audit Unit has been established as an independent organization under the direct control of the president and is tasked with performing internal audits of Tokyo Century and Group companies. Internal audits are aimed at assuring the appropriateness of the Company’s systems, organizations, and rules; whether all business activities comply with relevant laws and regulations and internal rules; and whether operating processes and the risk management system work appropriately and rationally. Based on these audits, improvements are proposed and advice is provided as necessary. As the Group expands its areas of business, risk profiles are becoming more diversified and complex. Accordingly, Tokyo Century aims to conduct internal audits that are effective as part of a risk-based approach. Timely and appropriate audits are also conducted of companies newly consolidated through investment or acquisition. Through such auditing activities, we strive to enhance the risk management capabilities and improve the corporate value of the Company and Group companies. Annual internal audit plans are reported to the Board of Directors after approval by the president (Management Meeting), and the results of the audits are reported to the president (Management Meeting) and to the Board of Directors.

Internal Audit System of Group Companies

Major domestic Group companies as well as major overseas Group companies Aviation Capital Group LLC (ACG) and CSI Leasing, Inc. (CSI) have in place independent audit units that perform audits at their respective companies. Audit plans and results are reported to the Audit Unit of the Company, which provides instruction and support as necessary.

In addition, we hold information exchange and liaison meetings where the audit departments of Group companies gather to share knowledge and strengthen coordination, thereby enhancing the audit quality of the entire Group.

The Audit Unit directly audits subsidiaries that do not have their own auditing functions.

Basic Internal Audit Policies

Reliable Third Line of Defense Supporting Quest for Growth
Furnished by Audit Unit

1. Identification of latent risks to contribute to improved operations and the prevention of misconduct
2. Provision of effective proposals and advice for improvement based on a forward-looking perspective and sensitivity toward change
3. Support for and coordination among Group companies to strengthen the Groupwide audit system

Fiscal 2024 Audit Results and Fiscal 2025 Audit Plan

In fiscal 2024, we conducted five thematic audits, including an audit of management accounting operations, and 36 departmental audits, including those of four overseas and three domestic companies in the Group. In each audit, we made proposals and gave advice for improvement and also conducted follow-ups for business improvement. In addition, to strengthen our audit system in the United States through collaboration with ACG and CSI, we newly dispatched an internal auditor to Tokyo Century (USA) Inc.

In fiscal 2025, we plan to conduct six thematic audits, including a post-implementation audit of the new core system and a harassment audit, and 36 departmental audits, including those of three overseas and three domestic companies in the Group. In light of the expanding audit areas and management’s requests, we will conduct flexible and proactive audits to enhance the corporate value of the Tokyo Century Group.

