

Message from the Chairman of the Board of Directors

directors to determine the capacity in which my remarks were made. Currently, I am completely detached from executive duties and do not participate in the Management Committee or attend any other executive-level meetings. To gather information necessary for the operation of the meeting of the Board of Directors, I receive reports lasting approximately 30 minutes to one hour from each division head and group leader about once a month. This helps me understand the underpinnings of questions raised at Board meetings despite my nonexecutive role and to elicit answers from appropriate executives in attendance. I believe that carrying out the Board's proceedings with a clear delineation of executive and supervisory roles while maintaining an understanding of executive operations is crucial to enhancing the Board's effectiveness.

Modifying investment criteria to support business expansion

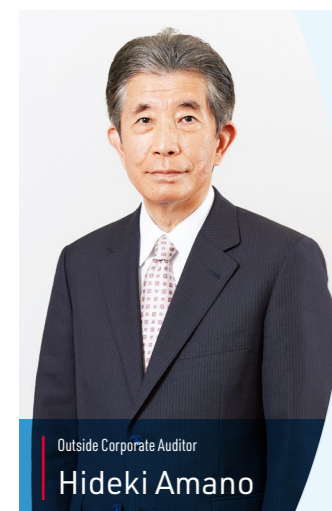
In response to our diversifying business domains, we established a new Business Investment Committee within our internal committee structure to assess the risks of prospective business investments from multifaceted perspective. We are also considering modifying the criteria for deciding matters for discussion at Board meetings. Previously, all matters, including those of lesser prominence, were uniformly discussed at the meeting of the Board of Directors. As our business domains expand, we need to more effectively tune the level of detail discussed from a supervisory standpoint. When discussing the ¥10 billion investment in Rent Alpha Pvt. Ltd., we thoroughly deliberated on the matter, which represented a large investment relative to the previous fiscal year's net profit of ¥14.9 billion. Starting with the fundamental question of whether it makes sense to invest at this scale in India, where we have no prior experience, we thoroughly

examined the risks and opportunities before proceeding. In this way, from an early stage we carefully consider the timing of when matters are brought before the Board of Directors based on the significance of each case.

Capital efficiency improvement and future business outlook

Our PBR is currently around 0.9 (as of September 2025), and we recognize that a PBR below 1x poses a critical challenge. As one measure to improve PBR, the Board of Directors deliberated to firmly align our understanding of the current state of our collaboration with Marubeni. To gain agreement regarding areas in which we currently do not engage, we need to encourage greater awareness of our company within each of Marubeni's operational units. We are monitoring the ways in which tighter executive-level collaboration with Marubeni can ultimately boost profits and serve as a key driver of PBR improvement. Meanwhile, as we expand our domestic investor base, we are also prioritizing our appeal to overseas investors as a key agenda item for improving PBR. Led by our CFO, who has extensive experience overseas, we are exploring methods for strengthening our global IR agenda. Moreover, as collaboration with trading companies enhances the potential for overseas business expansion, the Board of Directors is supporting the executive team in advancing the parallel globalization of our business and our investor base. Finally, as we formulate the next medium-term management plan, the Board of Directors is thoroughly debating the Company's vision, where we currently fall short of achieving it, and how to close that gap. By consistently addressing fundamental questions and constructively discussing matters from multiple perspectives, we can realize sustainable growth and deliver value to our stakeholders.

Message from the Audit & Supervisory Board



Effective corporate governance

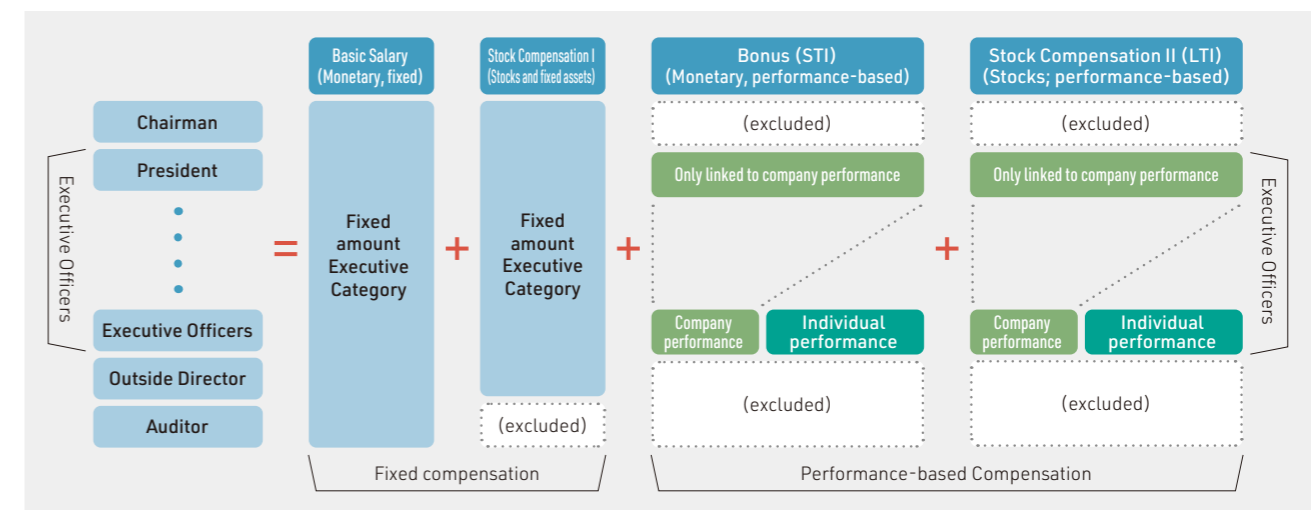
We recognize that the Company maintains an open atmosphere with smooth internal communication. At meetings of the Board of Directors, free and open exchanges of opinion occur, with a focus on business development and growth balanced against discussions on mitigating attendant risks. As a member of the Audit & Supervisory Board, I strive to accurately assess the situation on the ground and pay heed to voices from the field. This involves not only meetings with inside and outside directors and executives of each business group, but also onsite inspections at our operating locations. We are also working to transform our corporate culture and have observed positive and steady change. This fiscal year marks the final year of our Medium-term Management Plan 2025. In a business environment of intensifying uncertainty, this is a crucial year for driving the next medium-term management plan forward, strengthening the management foundation to support growth beyond that, and transforming and enhancing the business portfolio. From the perspective of internal controls and corporate governance, I intend to closely monitor progress to ensure efforts to strengthen our business foundation and other initiatives are suitably transparent.

Executive Compensation

Basic Policy

The underlying policy governing executive compensation is to clarify the link between compensation and the performance of the company and the value of its shares. This ensures that directors are motivated to raise performance and corporate value over the medium-to-long term while imparting to shareholders an awareness that this will increase the value of the company's shares. To achieve this, the compensation for executive officers consists of a base salary (fixed compensation) and performance-linked compensation. The maximum amount of compensation for directors is deliberated by the optional Nomination and Compensation Committee with a quorum consisting of a majority of outside directors. Compensation is then decided by a resolution of the board of directors and put forward as an agenda item at the General Meeting of Shareholders. The calculation method for directors' compensation pool's share of the budget are decided by the board after deliberation by the optional Nomination and Compensation Committee. On June 25, 2025, the board of directors resolved to revise the policy regarding the determination of individual compensation for directors. The summary is as follows.

Composition of Executive Compensation



Company Performance Evaluation Metrics

	Evaluation Metrics	Content and Purpose
Bonus (STI)	Gross profit before funding costs*	Selected as an indicator to measure the fundamental profitability of our group
	Ordinary income	Selected as an indicator to measure the profitability of our group, including equity method gains
	Net income attributable to owners of the parent	A key management objective serving as the primary source for dividends and returns to shareholders, selected as an indicator to measure its degree of achievement
Stock Compensation II (LTI)	Comprehensive Sustainability Assessment	A comprehensive evaluation of contributions to a decarbonized economy and circular economy, as well as initiatives in human capital management. Adopted as an indicator to enhance corporate value over the medium to long term. Examples: Renewable energy-related targets, circular economy-related targets, human capital investment-related targets, work-style reform, women's advancement-related targets
	Relative TSR (vs. TOPIX Growth Rate)	Adopted as an indicator to demonstrate awareness of shareholder interests through continuous enhancement of corporate value and dividend policy
	Linked ROE (current period profit)	Adopted as an indicator to steadily enhance earnings power relative to shareholders' equity, thereby driving increases in stock price and PBR.
	Consolidated ROA (ordinary profit)	Adopted as an indicator to measure improvements in asset efficiency and the transition to an asset-turnover-based business model

Fiscal 2024: Total compensation budget for directors and corporate auditors

Category	Total Remuneration (¥ million)	Total Amount by Compensation Type (¥ million)				Number of Directors Receiving Compensation (person)
		Base Compensation (Fixed)		Performance-based Compensation		
		Basic Salary	Stock Compensation I	Cash bonus	Stock Compensation II	
Directors (Outside Directors)	467 (77)	300 (70)	18 (7)	62 (—)	85 (—)	15 (7)
Auditors (Outside Auditors)	86 (61)	86 (61)	—	—	—	5 (4)
Total (of which are outside officers)	554 (138)	387 (131)	18 (7)	62 (—)	85 (—)	20 (11)