



# Corporate governance

## Corporate governance at JR-West

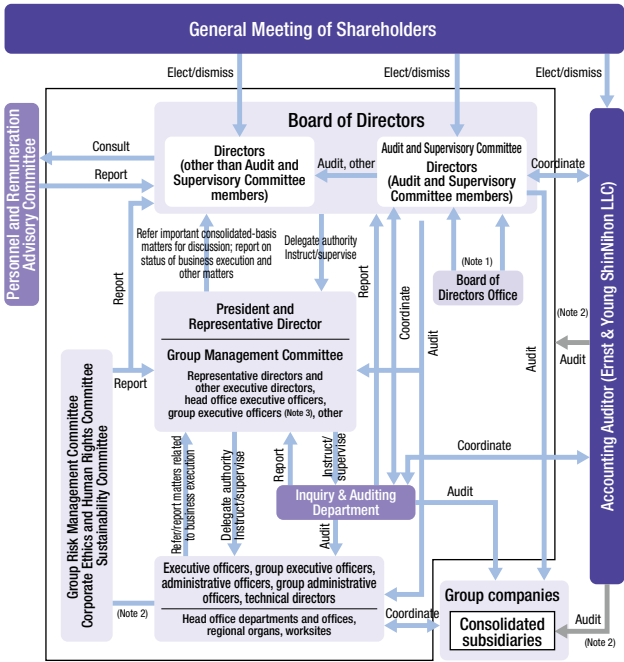
In light of the dramatic changes in the business landscape that have been taking place in recent years, JR-West transitioned in June 2022 to a company with an Audit and Supervisory Committee, undertaking this change as part of organizational reform aimed at enhancing our ability to address change.

In line with this transition, we have instituted various changes, such as delegating the majority of decision-making authority from the Board of Directors to the executive directors, which have facilitated faster and more decisive decision-making, more agile business execution, and greater autonomy for business divisions. During the year following the transition, the Board of Directors actively discussed a range of topics connected with improvement in corporate value over the medium- to long-term. They included the formulation of a new management plan and the Railway Safety Think-and-Act Plan, key strategies such as DX and city development, the direction of business portfolios, and sustainability-related risks and opportunities.

In addition to delegating authority, we also worked to bolster the monitoring and supervision functions of the Board of Directors by developing and expanding the reporting provided to the Board of Directors, such as with regard to the status of business execution by the individual directors and the progress of various management indicators.

## Corporate governance structure

- The Board of Directors comprises 17 directors, of which eight (47.1%) are independent outside directors.
  - Of the 13 directors (12 men and one woman) on the Board (excluding directors who are Audit and Supervisory Committee members), there are five outside directors who specialize in monitoring and supervising.
  - There are four directors (two men and two women; three of whom are outside directors who are Audit and Supervisory Committee members) who are Audit and Supervisory Committee members invested with voting rights and other authority on the Board of Directors.
- The Audit and Supervisory Committee (chaired by an independent outside director) audits the job performance of directors according to auditing policies and plans. The committee coordinates with the accounting auditor, internal audit department, and others via regular information exchange and other means.
- A Personnel and Remuneration Advisory Committee (chaired by an independent outside director) has been established as an advisory body to the Board of Directors, in which a majority of the members are independent outside directors. This ensures objectivity, fairness, and reliability in relation to the personnel affairs and remuneration of officers.
- Along with the Board of Directors entrusting much of the responsibility for important business execution decision-making to the executive directors, structures such as an executive officer system and an in-house company system have been adopted to accelerate decision-making and business execution, as well as facilitate the independence and autonomy of business divisions.
- The Sustainability Committee, Corporate Ethics and Human Rights Committee, and Group Risk Management Committee deliberate on various matters related to the sustained development of the JR-West Group and report the content of these deliberations to the Board of Directors.
- In addition to the above, we are advancing initiatives in the spirit of the Corporate Governance Code, such as enhancing the effectiveness of the Board of Directors and disclosing information in an appropriate and timely manner.



Note 1: JR-West has established the Board of Directors Office to support the duties of the Board of Directors and the Audit and Supervisory Committee. Full-time support staff have been put in place who are ensured independence from executive directors and others.

Note 2: [ ] denotes audit scope of the Accounting Auditor.

Note 3: Group executive officers are equivalent to executive officers and are appointed by the Board of Directors to enhance the overall value of the Group, in accordance with the decision-making of the Board of Directors and executive directors, as persons responsible for executing group company business.

## Main measures to strengthen Board of Directors-centered corporate governance

June 1999	• Adoption of executive officer system to accelerate decision-making (reduction of inside directors from 27 to 6)
June 2006	• Establishment of full-time staff responsible for communicating and coordinating with outside directors ⇒ Expand and improve information-sharing with outside directors
April 2007	• Establishment of Remuneration Advisory Committee (comprises at least three directors; more than half are outside directors) ⇒ Ensure objectivity, fairness, and trustworthiness of officers' remuneration
June 2010	• Appointment of directors with diverse backgrounds and female directors
June 2012	• Start of evaluation of Board of Directors effectiveness
September 2015	• Creation of company's criteria for independence of outside officers to accompany enforcement of corporate governance code
June 2018	• Shortening of directors' term of office to one year ⇒ Greater flexibility in corporate management structure, clarification of management responsibilities, increased opportunities for shareholders to express their relative confidence
December 2019	• Establishment of Personnel and Remuneration Advisory Committee to advise Board of Directors (as of July 2023, comprises three outside directors and two inside directors; chaired by independent outside director) ⇒ Ensure objectivity, fairness, and trustworthiness of officer nominations and remuneration • Institution of Board of Directors' matters for consultation alongside matters to be resolved and matters to be reported ⇒ Undertake ongoing and robust discussion of important managerial matters from medium and long-term perspective
June 2022	• Transition to company with Audit and Supervisory Committee ⇒ Delegate significant authority from Board of Directors to executive directors to facilitate swift and decisive managerial decision-making and business execution ⇒ Further expansion of corporate governance through stronger Board of Directors monitoring and other functions • Introduction of group executive officer system (appointment of four main group companies' presidents) whose members are equivalent to executive officers and are responsible for improving corporate value • Introduction of restricted stock compensation plan for inside directors and other executives ⇒ Incentivize pursuit of sustainable corporate value improvement, and create greater shared value with shareholders
April 2023	• Further specification and disclosure of policies used in determining remuneration for directors (excluding directors who are Audit and Supervisory Committee members and outside directors)

## Skill diversity of directors

The table below defines the seven skills (knowledge, experience, abilities, etc.) that are currently considered important for the Board of Directors to possess to carry out timely and appropriate decision-making, along with highly effective monitoring and supervision, in order to realize the five key strategies of the Medium-Term Management Plan 2025, which are to improve safety of railways, revitalize and

restructure core businesses (railway business, group businesses), further evolve real estate and city development, develop diverse services via digital strategy, and create new businesses. With regard to ESG-related skills, we believe that these seven skills encompass their essential elements and that the entire skill set should be represented by the Board of Directors as a whole.

Table of skills currently represented by, and particularly expected of, directors (skills matrix)

Name	Position in the company	Skills particularly expected to be displayed (major components stated in lower column)						
		Corporate management Business strategy Organization development Financial strategy	Governance Legal affairs/risk management Diversity Human rights Human resources cultivation	Safety/quality Safety-related technology/management Quality control	Customer satisfaction Marketing Creation of customer value Expansion into new business areas Brand value	Innovation Global environment DX/advanced technology Productivity improvement Decarbonization Energy savings	Community/city development Real estate development Enhancing convenience of railway networks Improving appeal of communities/cities	Coexistence with local communities Tourism/industrial development Local culture development Sustainable transportation systems
Kazuaki Hasegawa	President and representative director (chairman of the Board of Directors)	●		●			●	
Hikaru Takagi	Director (independent, outside)		●					
Yoshinobu Tsutsui	Director (independent, outside)	●	●		●			
Haruko Nozaki	Director (independent, outside)		●					●
Kenji Iino	Director (independent, outside)	●			●		●	
Yoshiyuki Miyabe	Director (independent, outside)	●		●		●		
Fumito Ogata	Representative director	●		●			●	
Shoji Kurasaka	Representative director	●	●					●
Keihiro Nakamura	Representative director	●		●				●
Eiji Tsubone	Director	●			●	●		
Hiroaki Maeda	Director		●	●				
Masatoshi Miwa	Director	●	●					
Hideo Okuda	Director	●			●	●		
Maki Ogura	Full-time Audit and Supervisory Committee member (independent, outside, Audit and Supervisory Committee chair)		●					
Makiko Tada	Full-time Audit and Supervisory Committee member			●	●			●
Emiko Hazama	Audit and Supervisory Committee member (independent, outside)		●					●
Kenryo Goto	Audit and Supervisory Committee member (independent, outside)	●	●					

Note 1: Of skills possessed by each individual, up to three skills that are particularly expected to be displayed in light of the composition of the Board of Directors have the mark "●".

Note 2: The above table is not an exhaustive list of all the knowledge, experience, ability, etc., the individuals possess.

Corporate governance

Evaluation of the Board of Directors’ effectiveness and efforts to improve its effectiveness

An evaluation of the effectiveness of the Board of Directors is carried out once every year through questionnaires, discussions, and other means, aimed at all board members.

The evaluation of effectiveness conducted in fiscal 2023 showed that the effectiveness of the Board of Directors has been both maintained and improved as a result of the delegation of more decision-making authority from the Board of Directors to the executive directors, which was undertaken as part of a series of organizational reforms, thereby promoting faster and more decisive decision-making and business execution, as well as more vigorous discussion of topics connected with medium- to long-term improvement in corporate value, such as key management strategies, business portfolio direction, and sustainability-related risks and opportunities.

Meanwhile, a wide range of issues were raised, mainly by outside directors, with a view to improving the effectiveness of the Board of Directors in the future. These issues include the development of methods that will strengthen the Board of Directors’ monitoring and supervisory functions, including of

non-financial information; the further enhancement of communication between outside directors and Audit and Supervisory Committee members; and the intentional hiring of human resources with diverse experience to serve as management personnel.

In conjunction with this, the Audit and Supervisory Committee also discussed its own effectiveness, and, based on factors such as stronger collaboration with the internal audit department and more robust information provision to part-time Audit and Supervisory Committee members, confirmed that its effectiveness has improved. At the same time, part-time Audit and Supervisory Committee members expressed the opinion that communication between Audit and Supervisory Committee members and executive directors should be enhanced.

Based on all of this, the JR-West Board of Directors has been deemed to be functioning effectively.

Furthermore, in order to further improve the effectiveness of the Board of Directors, we are implementing the following initiatives outside of board meetings.

1. Opinion exchange meetings between outside directors (excluding directors who are Audit and Supervisory Committee members) and Audit and Supervisory Committee members

Twice a year, the members of these two groups exchange opinions from their respective positions on such matters as what roles the Board of Directors and Audit and Supervisory Committee should play, what monitoring and supervision should ideally be, and what changes are taking place in the business environment surrounding the JR-West Group.

2. Off-site meetings led by outside directors (opinion exchange meetings with employees)

In order to deepen the outside directors’ understanding of the JR-West Group’s business and to leverage their knowledge for the operations of each department, we regularly provide opportunities for outside directors and employees to engage in free and frank opinion exchange.

■ Offsite meetings in fiscal 2024 (by August 31)

Month held	Participating divisions
April 2023	Regional Revitalization Division
June 2023	Business Design Division
August 2023	Digital Solution Headquarters



A scene from an offsite meeting

Personnel and Remuneration Advisory Committee

The JR-West Group has established a Personnel and Remuneration Advisory Committee tasked with improving objectivity, fairness, and reliability with regard to matters such as the remuneration and personnel affairs of officers and others.

This committee, which comprises at least five directors, the majority of whom are independent outside directors and the committee chair is also an independent outside director, deliberates on officer remuneration and personnel matters from a fair and objective standpoint and makes recommendations to the Board of Directors. Specific matters deliberated by this committee include Board of Directors composition and diversity, expected skills of directors and officers, policies and criteria for selection and dismissal of directors and officers, and policies and criteria for remuneration of directors and officers.

■ Members (as of July 2023) and meetings in fiscal 2023

Title/position	Name	Attribute
Chair	Yoshinobu Tsutsui	Independent outside director
Member	Hikaru Takagi	Independent outside director
Member	Haruko Nozaki	Independent outside director
Member	Kazuaki Hasegawa	Inside director
Member	Shoji Kurasaka	Inside director

During fiscal 2023, the entire Personnel and Remuneration Advisory Committee met 10 times.

Officer remuneration (overview of the remuneration system for directors)

Coinciding with the start of the JR-West Group Medium-Term Management Plan 2025, a resolution was passed at the meeting of the Board of Directors held on April 28, 2023 to revise the remuneration system so that it appropriately links business performance with remuneration of individual directors in order to better incentivize directors to improve performance leading, in turn, to medium- to long-term improvement in corporate value.

Remuneration for JR-West directors (excluding outside directors and directors who are Audit and Supervisory Committee members) consists of fixed, basic remuneration; short-term incentive performance-evaluation remuneration; and share-based remuneration, which incentivizes pursuing shared value with shareholders over the long term and increasing corporate value over the medium to long term. Basic remuneration is paid monthly, while performance-evaluation remuneration and share-based remuneration is paid at a fixed time each year.

Remuneration for directors who are Audit and Supervisory Committee members and for outside directors consists of basic remuneration only.

Regarding the amount of basic remuneration, JR-West prepares a remuneration table organized according to management responsibilities, taking into account remuneration levels at other companies, as investigated by specialist external organizations, to ensure an appropriate level of remuneration.

Performance-evaluation remuneration is a cash remuneration amount reflective of performance indicators for the business year, with these being divided between company performance and individual performance. The ratio of company performance to individual performance is 7:3, assuming all performance indicator targets are achieved. However, only the company performance portion is applied to corporate officers like the president and representative director.

Both company performance and individual performance will be evaluated quantitatively and qualitatively based on the

achievement status of each indicator set at the beginning of the previous fiscal year.

Performance indicators for company performance are financial indicators and non-financial indicators. Regarding financial indicators, consolidated income, asset efficiency, and the ratio of life design field to consolidated income are the three performance indicators used. For non-financial indicators, they are railway safety, global environment, and work engagement.

The performance indicators for individual performance are the main KPIs of the departments each director is responsible for. The individual performance portion will vary from 0% to 200% depending on indicator achievement status and qualitative evaluation.

For share-based remuneration, restricted stock is issued at a base amount that corresponds to the recipient’s management responsibilities.

Remuneration for directors (excluding outside directors and directors who are Audit and Supervisory Committee members), when all performance indicator targets established at the outset of the previous fiscal year have been met, consists of basic remuneration, performance-evaluation remuneration, and share-based remuneration in a ratio of 6:3:1 (see the table below).

The amount of remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee) will be determined based on the above policy and by a resolution of the Board of Directors. However, the determination of basic remuneration and performance-evaluation remuneration is, by resolution of the Board of Directors, left to the president and representative director. Specific decisions are arrived at through deliberation by a Personnel Committee comprising multiple representative directors, the director in charge of personnel, and others and with due consideration given to the recommendations of the Personnel and Remuneration Advisory Committee (on which outside directors are the majority) to ensure remuneration is both fair and credible.

Type of remuneration	Payment criteria				Payment method	Remuneration structure*2
Basic remuneration	A remuneration table shall be created, which corresponds to management-related responsibilities, and payment shall be made after ensuring it is of an appropriate level				Payment in cash on a monthly basis	60%
Performance evaluation remuneration*1	Company performance	Financial indicators	Consolidated income	70%	Payment in cash on a fixed date	30%
			Asset efficiency			
			Ratio of life design field to consolidated income			
		Non-financial indicators	Railway safety			
			Global environment			
			Work engagement			
	Individual performance	Main KPIs of the departments each director is responsible for		30%		
Share-based remuneration	Payment of a base amount corresponding to management-related responsibilities				Payment of monetary claims on a fixed date, and delivery of restricted stock compensation in exchange for payment	10%

\*1 Only the company performance portion will be applied to corporate officers like the president and representative director.

\*2 Assuming all performance indicators achieve the targets set at the beginning of the previous business year.



# Message from Outside Directors

## Expectations for the new management plan (Long-Term Vision 2032, Medium-Term Management Plan 2025)



Director  
(independent, outside;  
Personnel and Remuneration  
Advisory Committee member)

### Hikaru Takagi

Former professor, Graduate  
School of Law, Kyoto University

The Long-Term Vision 2032 and Medium-Term Management Plan 2025 were formulated through discussions amid a harsh business environment. I felt that outside opinions were well respected at board meetings. From the prior explanations and the vast amount of materials, you could also see that sincere, careful consideration and adjustments were made from various positions in the company. I expect that such bottom-up energy will be used to steadily realize the plans from this fiscal year onwards.

JR-West is subject to unique laws and regulations due to the public interest nature of the railway business and the history of division and privatization, and the constraints on its business decisions are greater than those of conventional companies. My professional interest lies in the division of roles between the public and private sectors. It will be more important to deal with issues based on fundamental ideas without being distracted by short-term trends, while fully sharing our thinking with the central and local governments.



Director  
(independent, outside;  
Personnel and Remuneration  
Advisory Committee chair)

### Yoshinobu Tsutsui

Chairman of the board and  
representative director, Nippon  
Life Insurance Company

JR-West put an enormous amount of passion and effort into formulating the Long-Term Vision 2032 and Medium-Term Management Plan 2025. The Board of Directors has thoroughly deliberated a total of 17 items, including priority strategies, since fiscal 2023. The vision and plan are a testament to the positive and broad discussions we had based on our sense of crisis for the future. I think that the Board of Directors was able to properly orientate the JR-West Group and exercise restraint from an outside and objective perspective. Plans and visions, especially those that span long time horizons, tend to end up being "made and then collect dust on the shelf." Plans must be put into practice, and visions are the will to make it happen. What kind of commitment and determination did we have when we formulated

them? Are they shared and sustained now, and are we flexible enough to accept changes that arise later? It will be critical to return to these starting points in the future through continuous PDCA cycles. Let's work together and move forward.



Director  
(independent, outside;  
Personnel and Remuneration  
Advisory Committee member)

### Haruko Nozaki

Executive vice president, Kyoto  
University; former junior corporate  
officer, Horiba, Ltd.

Running in-house companies and new businesses requires innovative ideas and actions that are not bound by existing frameworks, as well as outgoing, centrifugal force to break free from the past. Meanwhile, group synergy, which generates new corporate value cannot be created without unifying, centripetal force. Our Purpose, the unifying force of the JR-West Group, was put into writing after discussions by a task force comprising people of various generations and departments. Since its announcement, we have repeatedly worked to ensure its understanding and permeation within the Group.

I look forward to JR-West's challenges to pursue safety and security and achieve business goals, under a balance of outgoing and unifying forces.

All of our work is connected to our customers. Our starting point as a social infrastructure company is to always think of customers, communities and society, business partners,

shareholders, and each of our coworkers, and closely connect to their thoughts. I am paying particular attention to the development of human resources that create corporate value, and specific measures to support wellbeing by utilizing the strengths of individuals. Based on the purpose "Stir the heart, drive the future" we will continue to move forward.



Director  
(independent, outside)

### Kenji Iino

Former managing director and  
executive managing officer, Mitsui  
Fudosan Co., Ltd.

The Long-Term Vision 2032 and Medium-Term Management Plan 2025 were formulated through trial and error and lively discussions. As an outside director, I will closely exchange opinions and have discussions with the executive side, not only keeping to my supervisory function, to ensure that we truly realize our plan and vision. Topics include whether Our Purpose, vision, and plan are understood by each employee and that they permeate all group companies, thus building a sense of unity on a consolidated basis, and whether we can respond flexibly and quickly if our plans do not progress as intended. In the new management plan, I am particularly interested in (1) securing and cultivating human resources who will lead the company in the future, and the growth of a vibrant corporate culture that will be the basis for such human resources; (2) building unwavering trust from society and

strengthening continuous communication with local communities in the railway business; and (3) pursuing productivity and efficiency through the combination of know-how, information, and human resources among each in-house company in the life design field and new businesses. Going forward, I will continue to work with the executive side to achieve sustained growth and enhance corporate value.



Full-time Audit and Supervisory  
Committee member  
(independent, outside;  
Audit and Supervisory  
Committee chair)

### Maki Ogura

Former judge

aspects of governance: ensuring soundness (compliance) and improving efficiency (value creation, digital transformation, work style reform). I expect the Group to transform into a form that matches our desired future, continues to create value, and grows with society. I am happy to be a part of this challenge.

In 2023, the JR-West Group formulated Our Purpose, Long-Term Vision 2032, Medium-Term Management Plan 2025, and Safety Think-and-Act Plan 2027, and began to take on post-pandemic challenges. The Group has been striving to operate sustainable businesses and provide safe and secure services amid a harsh business environment, facing issues such as the three-year pandemic, the decline in the population, overconcentration, and the intensification of natural disasters.

In light of the Group's corporate culture, the new management plan will surely penetrate the entire Group. This will allow employees to think and act with peace of mind and autonomy, adapting their goals to feasible means while keeping the purpose in mind. The company will also support employees through two



Audit and Supervisory  
Committee member  
(independent, outside)

### Emiko Hazama

Former deputy mayor, Sakai City;  
professor, Department of Public  
Affairs, Osaka University of  
Commerce

The JR-West Group is an important infrastructure company that supports people's lives. I believe that it will continue to fulfill its social responsibilities with safety and trust as the top priorities. Cutting-edge technology is increasingly affecting the way we live and work. JR-West has also begun to take on challenges in new areas like new transportation services and comfortable living using digital technology.

"City development" refers to discovering local resources, enhancing the vitality and charm of communities, and improving the quality of people's lives. Our mobility services, life design business, and ESG management provide encounters, fun, and security to everyone's lives, and enhance their quality. It's up to each and every employee to make it

happen. What value can the JR-West Group provide to society? What role should you play? I hope that all employees will feel the pride and satisfaction of contributing to the advancement of society by working together with people inside and outside the company. Let's build the future together.



Audit and Supervisory  
Committee member  
(independent, outside)

### Kenryo Goto

Certified public accountant,  
Kenryo Goto Certified Public  
Accountant Office; former Osaka  
Office managing partner and  
senior executive board member,  
KPMG AZSA LLC

When I tried to go to Osaka over the weekend, WESTER informed me of a train delay. So, I finished my housework before the trip, allowing me to eat a relaxed meal with my friends in Osaka, and then went home. I didn't touch cash all day and didn't even look at timetables. It was a day to feel thankful for Mobile ICOCA and WESTER. In this way, JR-West is creating vibrant communities where people can come and go with ease.

On the other hand, we must not reduce our safety investments in railways. The way that we choose growth investments was discussed at length during the formulation of the Long-Term Vision. A wave of price hikes has hit us, and we may run short of money.

Management is striving to deliver the future we envision through efforts in the Hokuriku

Shinkansen, Umekita area, Expo 2025, and the Naniwasuji Line. I will do my part with a sense of mission, backing up management from a defensive and offensive perspective.

## Opinions of outside directors in discussing Our Purpose and the new management plan

Theme		Outside directors' opinions (summary)
Main strategies in the new management plan	Formulation of Our Purpose and the new management plan	<ul style="list-style-type: none"><li>● It is important to share Our Purpose with a long-term perspective, to connect it with business, and to have top management keep asking questions on a daily basis.</li><li>● I appreciate the points of improving safety, revitalizing mobility services, and expanding the life design field. I also highly rate the broad policies of Our Purpose, Long-Term Vision, and the creation of social and economic value through our businesses.</li><li>● I highly rate the policy of maintaining safety investments in railways while also making investments in portfolio transformation. JR-West should carry out the plan while carefully explaining to investors when dividends will return.</li><li>● The 40% target in the life design field is JR-West's determination to grow. The Board of Directors must steadily carry out risk management and monitoring while aggressively developing business.</li><li>● Along with the human resource strategy, return to employees should also be thoroughly considered.</li><li>● In addition to the environmental changes caused by the pandemic, we are facing rising prices. On the other hand, we cannot raise fares easily. Railways are in a completely negative environment. Economic rationality and public interest are not in balance. We must confront issues in fares and local lines in earnest.</li></ul>
	Improvement of railway safety	<ul style="list-style-type: none"><li>● In addition to making the plan thoroughly understood at work sites, we should once again create a robust mechanism for listening to the opinions of frontline staff, visualizing evidence, and responding to issues.</li><li>● Regarding management that prioritizes on-site decisions, I believe frontline staff can make their own decisions only when they have a relationship of trust with management.</li></ul>
	Real estate and city development	<ul style="list-style-type: none"><li>● As a player in the current real estate market, we are expected to have more property operation and management capabilities than those for conventional development, construction, and sales. There is an urgent need to strengthen operational management capabilities, including human resource development, to improve these capabilities.</li><li>● JR-West's real estate business contributes to solving social issues. Although it depends on the project, we should concretize social value creation and take it into account when assessing projects.</li><li>● We should consider the burden of funds and risks and make efforts through alliances with the public, private, and academic sectors.</li></ul>
	Digital strategy	<ul style="list-style-type: none"><li>● In digital transformation, thorough centralization and governance of digital infrastructure is important. This will also contribute to improving cost effectiveness and promoting trial and error in agile development.</li><li>● There is little value creation in digital technology itself. The key is how synergies can be generated in combination with JR-West's business.</li></ul>
	Creating new businesses	<ul style="list-style-type: none"><li>● I praise infrastructure management as a business that contributes to solving pressing social problems by utilizing our strengths.</li><li>● Resource management is important, and we should develop and work on internal systems and alliances with local governments, companies, and financial institutions.</li></ul>
	Global environmental strategy	<ul style="list-style-type: none"><li>● Financial impacts such as the transition risks outlined by the TCFD should be fully considered and addressed.</li><li>● We should go beyond the fiscal 2031 targets and explore our path to carbon neutrality by 2050.</li><li>● As a player in the railway industry, we should work with the JR Group to make concrete proposals to the government and raise social awareness.</li></ul>
	Human capital management	<ul style="list-style-type: none"><li>● It is important to "visualize" management human resources, including those in businesses other than railways, and for the company to identify and grow them.</li><li>● We need to strengthen management human resources with diverse backgrounds and enhance autonomy and promote the growth of individuals by having them accumulate expertise. Such efforts will strengthen our recruitment competitiveness.</li></ul>
Financial strategy and shareholder returns		<ul style="list-style-type: none"><li>● Balance sheets should be prepared for each business, and management should be based on the level of capital cost. We should use this to judge if or when to withdraw from a business.</li><li>● I appreciate our resource allocation policies for safety and portfolio restructuring, but how do the capital markets perceive them? We should consider how to deliver returns to shareholders while working on our plans.</li><li>● What is our policy for share repurchase?</li><li>● We should explain what we are doing to increase share value given the dilution caused by public stock offerings, including shareholder returns from a long-term perspective.</li></ul>





Board of Directors

(As of June 23, 2023) • Number of years as board member • Attendance at board meetings (FY2023)

1

President, Representative Director, and Executive Officer

**Kazuaki Hasegawa**

• 11 years

• 15/15 meetings

Chairman of the Board of Directors

Personnel and Remuneration Advisory Committee member

2

Outside Director

**Hikaru Takagi**

• 5 years

• 15/15 meetings

Former professor at the Graduate School of Law, Kyoto University

Independent officer

Personnel and Remuneration Advisory Committee member

3

Outside Director

**Yoshinobu Tsutsui**

• 3 years

• 15/15 meetings

**Major concurrent posts**

Chairman of the board and representative director of Nippon Life Insurance Company

Independent officer

Chairman of the Personnel and Remuneration Advisory Committee

4

Outside Director

**Haruko Nozaki**

• 3 years

• 15/15 meetings

Former junior corporate officer of Horiba, Ltd.

**Major concurrent posts**

Executive vice president of Kyoto University; outside director of Sekisui Chemical Co., Ltd.

Independent officer

Personnel and Remuneration Advisory Committee member

5

Outside Director

**Kenji Iino**

• 1 year

• 11/11 meetings

Former managing director and executive managing officer of Mitsui Fudosan Co., Ltd.

Independent officer

6

Outside Director

**Yoshiyuki Miyabe**

• 1 year

• 11/11 meetings

**Major concurrent posts**

Director and executive vice president of Panasonic Holdings Corporation

Independent officer

7

Vice President, Representative Director, and Executive Officer

**Fumito Ogata**

• 7 years

• 15/15 meetings

8

Vice President, Representative Director, and Executive Officer

**Shoji Kurasaka**

• 5 years

• 15/15 meetings

Personnel and Remuneration Advisory Committee member

9

Vice President, Representative Director, and Executive Officer

**Keijiro Nakamura**

• 5 years

• 15/15 meetings

10

Director and Senior Executive Officer

**Eiji Tsubone**

• 2 years

• 15/15 meetings

11

Director and Senior Executive Officer

**Hiroaki Maeda**

• 1 year

• 11/11 meetings

12

Director and Executive Officer

**Masatoshi Miwa**

• 1 year

• 11/11 meetings

13

Director and Executive Officer

**Hideo Okuda**

• 1 year

• 11/11 meetings

14

Outside Director (full-time Audit and Supervisory Committee member, chairman of the Audit and Supervisory Committee)

**Maki Ogura**

• 1 year

(tenure as Audit and Supervisory Committee member: 2 years)

• 15/15 meetings

(including 4 meetings as Audit and Supervisory Committee member)

Former judge

Independent officer

15

Director (full-time Audit and Supervisory Committee member)

**Makiko Tada**

• Appointed as director in June 2023

16

Outside Director (Audit and Supervisory Committee member)

**Emiko Hazama**

• 1 year

(tenure as Audit and Supervisory Committee member: 2 years)

• 15/15 meetings

(including 4 meetings as Audit and Supervisory Committee member)

**Major concurrent posts**

Professor at the Department of Public Affairs, Osaka University of Commerce

Independent officer

17

Outside Director (Audit and Supervisory Committee member)

**Kenryo Goto**

• 1 year

• 11/11 meetings

Former Osaka Office managing partner and senior executive board member of KPMG AZSA LLC

**Major concurrent posts**

Certified public accountant, Kenryo Goto Certified Public Accountant Office; outside director (Audit and Supervisory Committee member) of Towa Pharmaceutical Co., Ltd.

Independent officer

