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Concordia Financial Group, Ltd.

Tatsuya Kataoka, President and Representative Director

Contact: Corporate Planning Department

Securities Code: 7186

<https://www.concordia-fg.jp/en/index.html>

The corporate governance of Concordia Financial Group, Ltd. is described below.

## I. Corporate Governance Basic Concepts and Capital Structure, Corporate Attributes, and Other Basic Information

### 1. Basic Concepts

Concordia Financial Group, Ltd. (hereinafter referred to as the "Company") is the holding company of a regional financial group that includes The Bank of Yokohama, Ltd. and The Higashi-Nippon Bank, Limited. (hereinafter referred to as the "Group companies").

\* "Concordia" is a Latin word that means harmony and cooperation, derived from "Con (together)" and "Cordia (heart)", and expresses the message "the Group will work for the customers with one heart".

Based on our Management Philosophy, we are ensuring the fairness, transparency, and speed of decision-making, and building a corporate governance system appropriate for a regional financial group for various stakeholders such as shareholders, customers, employees, and local communities.

[Management Philosophy]

As a financial group that is trusted by customers and indispensable to its region

- ① Contribute to enriching the lives of our customers and growing their businesses.
- ② Contribute to the sustainable development of regional communities.
- ③ Continue to be an attractive company that employees are proud to work for.
- ④ Grow sustainably and enhance our corporate value.

[Group slogan]

With you. Nurturing the Future.

We have established a Corporate Governance Basic Policy that sets forth the policies and frameworks for achieving effective corporate governance with the aims of promoting the sustainable growth of the Group and improving corporate value over the medium to long term.

Moreover, we will continually review the state of corporate governance and work toward its improvement.

Please refer to the Corporate Governance Basic Policy, which is available on the Company's website.

(Corporate Governance Basic Policy) <https://www.concordia-fg.jp/en/company/base/governance/index.html>

### [Reasons for Non-compliance with the Principles of the Japan's Corporate Governance Code]

The Company has implemented all the principles of Japan's Corporate Governance Code, as revised in June 2021.

### [Disclosure Based on the Principles of the Japan's Corporate Governance Code]

[Principle 1-4] (Policy Shareholdings)

#### 1. Policy on Policy Shareholdings

The "Policy on Policy Shareholdings" for listed stocks by the Company and its group banks (\*1) is as follows.

The basic policy for policy shareholdings (\*2) is to reduce the balance for the sake of controlling financial risk from stock price fluctuations and of efficiently using capital with an awareness of the cost of capital.

\*1 "Group banks" refers to the Bank of Yokohama, Higashi-Nippon Bank and THE KANAGAWA BANK.

\*2 Policy shareholdings are classified according to the purpose of the holdings, (1) shares held for operating purposes and (2) shares held for business strategy purposes. (1) accounts for the majority.

(1) Shares held for operating purposes refer to shares in companies that play a central role in the regional economy, companies that contribute to regional development such as community development, companies that aim to support revitalization, etc., and companies that offer a risk-return ratio that is commensurate with the cost of capital.

(2) Shares held for strategic business purposes refer to shares in companies that are expected to have strategic business effects through business alliances and other means.

We periodically review the significance and economic rationale of our shareholdings, and if the holdings are not deemed appropriate, we sell them while considering relevant factors, including negotiations to improve profitability and market impact. Even in cases where holdings are deemed appropriate, we may sell some of the shares in accordance with our basic policy of reducing outstanding balances, and taking into consideration the market environment, management, and financial strategies. Furthermore, where cross shareholders demonstrate an intention to sell Company shares, the Company will take no actions to prevent those sales.

## 2. Evaluation of the significance of holdings and the economic rationale

The Company's Board of Directors regularly verifies each company whose listed shares are held by the Company as policy shareholdings for the significance of holdings (its contributions to regional development, strengthening of long-term and stable business relationships, etc.) and the economic rationale (risk-return commensurate with cost of capital).

In order to verify the economic rationale, we set standard values for return on risk-weighted assets (RORA) and for return on capital employed (risk quantity base) according to the target return on shareholder's equity (ROE).

In addition, the Company periodically checks the progress of efforts for sale negotiations and profitability improvement.

## 3. Verification results, etc.

The Board of Directors verified the significance and economic rationale for holding all listed shares (approximately 150 stocks) as of the end of March 2024, and found that approximately 90% of all stocks met the holding criteria.

For stocks that do not meet our holding criteria, the objective is improved profitability, but if they do not improve within a certain period of time, we consider selling.

The same verification is also conducted for deemed holdings.

In FY2023, the Company sold approximately 0.3 billion yen on an acquisition cost basis.

## 4. Voting Rights Exercise Standards

When exercising voting rights, the Group decides whether to approve or reject proposals in a comprehensive manner, after confirming such factors as the management policies (regarding increase of corporate value over the medium to long term and sustainable growth), governance, and business details of the company whose shares are cross-held, and considering the matter from the viewpoint of share value.

In cases when there are important proposals that may cause significant fluctuations in share value or when the details of the proposal are unclear, the Company carefully decides whether to approve or reject the proposal by such means as separately engaging in dialogue with the company whose shares are cross-held as necessary.

Proposals that the Group considers important are as follows.

- Surplus appropriation proposals (in cases of large-scale losses, etc.)
- Proposals on the election of Directors and Audit & Supervisory Board Members (cases of impropriety or losses occurring over a certain continuous period)
- Proposals on anti-takeover measures
- Proposals on organizational restructuring
- Proposals on payment of retirement benefits (for Audit & Supervisory Board Members, etc.)

### [Principle 1-7] (Related Party Transactions)

In order to protect the interests of shareholders, the Company has established the following procedures to ensure that transactions are not conducted in violation of Company and shareholder interests.

- In the Board of Directors regulations, the Board of Directors has determined that competitive transactions by directors and important transactions between the Company and its directors must be approved by or reported to the Board of Directors, which monitors such transactions.
- "Basic Regulations on Compliance", etc. are established by resolution of the Board of Directors and thorough awareness is ensured for the prohibition against actions that constitute a conflict of interest, etc., the prohibition against the provision of property benefits upon the exercise of rights by shareholders, and other matters, while the status of compliance is monitored through periodic reports to the Board of Directors and whenever necessary.

### [Supplementary Principle 2-4 ①] (Ensuring Diversity in Promotions for Core Human Resources)

#### 1. Views on ensuring diversity

The Company has established the Group Human Resource Policy as its basic policy for enhancing the value of human capital.

The policy states, "In order to enhance our ability to provide solutions to the increasingly diverse and sophisticated needs of local communities and customers while flexibly responding to drastic changes in the economic and social environment, we will build a diverse talent portfolio with various backgrounds and expertise. We will also strive to create a workplace environment where employees can work with peace of mind and foster a vibrant organizational culture that enhances the well-being of each employee with such diverse values and lifestyles, allowing them to fully utilize their capacities".

Under this policy, in addition to new graduates, we are actively approaching a diverse range of human resources, including career hires and foreign nationals, in order to secure human resources with various backgrounds and expertise. In order to retain such personnel, we set targets for promoting the activities of our female employees, for the hiring and retention of mid-career hires, etc. and proactively and effectively promote approaches for attaining these targets.

<Voluntary and measurable goals and their status, etc.> (as of March 31, 2024)

Percentage of female managers: 18.1% (Target by end of FY2024: 20%)

Percentage of female assistant managers or higher: 37.6% (Target by end of FY2024: 38%)

Percentage of mid-career hires in management positions: 14.2% (Target by end of FY2024: 14% or higher)

In addition, we have a network of overseas offices, mainly in Asia, primarily to support the overseas expansion of our customer base. Because we recognize the importance of securing and retaining human resources who are familiar with the business customs and needs of each overseas office, we actively recruit locally. As of April 1, 2024, we have 53 locally hired employees. In our domestic business too, we are working to hire and retain foreign nationals as human resources, in order to embody our overseas strategy and to better serve our foreign customers. As of April 1, 2024, we have 11 foreign nationals in management positions.

#### 2. Human resources development policies and in-house environment development policies for ensuring diversity and their current status

To ensure diversity as stated in the Group Human Resource Policy, we have established a Diversity, Equity, & Inclusion Policy and are actively working to develop and retain diverse human resources by synergistically addressing "promotion of diversity" to recognize and mutually respect diversity in human resources, work styles and careers, and "work style reform" to establish a workplace environment that allows employees to work in flexible and diverse work styles.

(Diversity, Equity, and Inclusion Policy)

<https://www.concordia-fg.jp/en/csr/sdgs-report/diversity/diversity-equity-inclusion/index.html>

#### (1) Promoting diversity

We are promoting initiatives to eliminate the gender gap in management positions and to promote diversification of the human resources who will be responsible for the next generation of management, including the introduction of a project to promote the success of female candidates in managerial positions. In addition, we encourage employees to develop their careers independently, and to grow beyond the beaten path of their career up to that point, by expanding opportunities for employees to gain diverse experience outside the company beyond banking operations, such as through the Career Innovation Support Systems including Innovation Leaves which allow employees to take concurrent positions outside the company, work side jobs, or take leave to focus on "learning", and through external secondments for educational purposes. Furthermore, we are engaged in internal training to promote diversity, including training for all employees to promote a better understanding of diversity and training on unconscious bias.

In FY2023, we held a Concordia Diversity Month to promote DEI, Diversity Conference @ Concordia for management-level employees jointly sponsored by the three Group banks, and seminars for eligible employees focused on balancing family and work life, etc.

In recognition of these efforts, the Group was the first regional bank to be recognized as a "Best Workplace" in the "D&I Award 2023".

#### (2) Promoting diverse work styles and workplace reform

We offer our employees a variety of work style options to suit their individual circumstances by enhancing our work systems, which are not restricted by time or location, such as flextime, teleworking, and shortened working hours systems to support childcare and nursing care. We also support the work-life balance of each employee through measures such as the work interval system, hourly leave system, a Refresh Month as a month to further encourage employees to take paid leave, and encouraging male employees to take childcare leave.

In FY2023, we strengthened our efforts to improve work style efficiency, such as establishing rules for teleworking, and to promote role models that encourage male employees to take childcare leave.

In recognition of these efforts, we were selected as "Next Nadeshiko: Companies Supporting Dual-career and Co-parenting" in FY2023.

For more information on the status of efforts to ensure diversity, see this report at "III. 3. Measures to Ensure Due Respect for Stakeholders" in this report.

#### [Principle 2-6] (Fulfilling Functions of Corporate Pension Funds as Asset Owners)

At the Group, to increase our expertise in the management of corporate pensions and exercise the functions expected of us as an asset owner, the following systems have been put in place at each Group company.

- At The Bank of Yokohama, the pension assets are managed through the Bank of Yokohama Pension Fund (hereinafter referred to as "the Fund"). Human resources with the appropriate qualities required to manage the Fund are assigned in a planned manner as the persons responsible for the Fund, and monitoring of the managing trustee organization is conducted. Furthermore, an asset management committee composed of members familiar with personnel, market operations, risk, and finance, etc. has been established for the pension fund, and deliberations are held on important items including the basic policy for management and evaluation of the managing trustee organization, etc. In addition, a retirement benefit committee has been established at the parent company, The Bank of Yokohama, and from the standpoints of the independence of the Fund and the protection of the recipients, continuous monitoring of the state of the operation and management of the pension assets is conducted, and deliberations are held on important items relating to the entire retirement benefits system. In addition to representing that the pension funds have accepted Japan's stewardship code, the Bank of Yokohama formulates and discloses specific policies to fulfill the responsibilities of the stewardship code.

(The Bank of Yokohama Pension Fund) <https://www.nenkin-kikin.jp/yokohama-bank/> (available in Japanese only)

Based on the thinking that this will lead to stable management of the Fund, the Fund also invests in companies that are committed to improving their corporate value over the long term through appropriate actions on ESG issues.

- At The Higashi-Nippon Bank, reports are received from the managing trustee organization, and the Corporate Planning Department, the Risk Management Department, and the Human Resources Department conduct monitoring. Furthermore, a corporate pension committee chaired by the director responsible for the Human Resources Department and composed of members familiar with matters such as personnel, market operations, risks and finance, deliberates on basic policy for management and evaluation of the managing trustee organization, the state of the operation and management of pension assets, and other important items relating to the entire pension fund system.

Based on the thinking that this will lead to stable management of the Fund, the Fund also invests in companies that are committed to improving their corporate value over the long term through appropriate actions on ESG issues.

- At the Group's corporate pension fund, by delegating the selection of individual investments and the exercise of voting rights to the discretion of the managing trustee organization, a system is in place to prevent conflicts of interest related to the exercise of voting rights.

#### [Principle 3-1(1)] (Management Philosophy, Management Strategy, and Management Plan)

We formulate and publicize our management philosophy and medium-term plan. The management philosophy is described in "I.1. Basic Concepts" in this report" and is also on our website.

(Management Philosophy) <https://www.concordia-fg.jp/en/company/idea/index.html>

(Medium-Term Management Plan) <https://www.concordia-fg.jp/en/company/policy/index.html>

[Principle 3-1(2)] (Basic Concepts and Basic Policy on Corporate Governance)

"Basic Approach and Basic Policy on Corporate Governance" is given in "I. 1. "Basic Concepts" in this report.

[Principle 3-1(3)] (Board of Directors Policies and Procedures for Determining Executive Management and Director Compensation)

"Board of Directors Policies and Procedures for Determining Executive Management and Director Compensation" in "II. 1. Organizational Structure and Operations. [Director Compensation]" in this report.

[Principle 3-1(4)] (Selection and Dismissal Policies and Procedures for Directors and Audit & Supervisory Board Members)

1. Policy and Procedures for Selection of Director Candidates

(1) Candidates for director (except outside director candidates) are selected who satisfy the following criteria.

Persons with abundant experience in business management and operations of the Group and extensive knowledge in the fields of finance and economics.

- Persons who can be expected to carry out business management and operations of the Group accurately, fairly, and efficiently and to contribute to promoting sustainable growth of the Group and to enhancing corporate value over the medium to long term.

(2) Candidates for outside director are selected who satisfy the following criteria.

- Persons who meet the criteria for independence set forth by the Company and who are not likely to have a conflict of interest with general shareholders
- Persons who have abundant experience and broad knowledge in the fields of corporate management, financial affairs, finance, economics, accounting, taxation, legal affairs, etc.
- Persons who, based on their experience and knowledge, can provide timely and appropriate opinions and proposals to the directors and management from the perspective of promoting sustainable growth of the Company and enhancing corporate value over the medium to long term

(3) After any deliberation by the Compensation and Personnel Committee, candidates for director deliberated on by the Board of Directors and selected based on the thinking on the composition of the Board of Directors and this policy, taking into consideration the length of tenure as an officer of the Group and other factors.

2. Policy and Procedures for Selection of Audit & Supervisory Board Member candidates

(1) Candidates for Audit & Supervisory Board Member (except outside member candidates) are selected who satisfy the following criteria.

Persons with abundant experience in business management and operations of the Group and extensive knowledge in the fields of finance and economics.

- Persons who can be expected to carry out audits of the execution of duties by the directors of the Company accurately, fairly, and efficiently, and to contribute to ensuring healthy, sustainable growth of the Group and to enhancing corporate value over the medium to long term.

(2) Candidates for outside Audit & Supervisory Board Members are selected who satisfy the following criteria.

- Persons who satisfy the criteria for independence set forth by the Company and who are not likely to cause a conflict of interest with general shareholders
- Persons who have abundant experience and broad knowledge in the fields of corporate management, financial affairs, finance, economics, accounting, taxation, legal affairs, etc.
- Persons who can be expected to contribute to ensuring healthy, sustainable growth of the Group and improving its corporate value over the medium to long term by forming and expressing audit opinions in a timely and appropriate manner based on their experience and knowledge, given that this appointment is mandatory from the perspective of further enhancing the neutrality and independence of the audit system.

(3) After the consent of the Audit & Supervisory Board is obtained, the Board of Directors deliberates on the candidates and selects them based on this policy.

3. Dismissal Policies and Procedures for Directors and Audit & Supervisory Board Members

Where a Director or Audit & Supervisory Board Member corresponds with any of the following items, the Board of Directors will submit a proposal for the dismissal of that Director or Audit & Supervisory Board Member to the General Meeting of Shareholders. Furthermore, proposal for the dismissal of a Director will be decided at a meeting of the Board of Directors following the deliberations of the Compensation & Nomination Committee, an optional committee.

(1) Where an act violating laws and regulations or public order and standards of decency is committed

(2) Where corporate value is considerably damaged

(3) Where an item specified in 1. (1) or (2), or 2.(1) or (2) above is not satisfied

[Principle 3-1 (5)] (Reasons for the Selection of Candidates for Director or Audit & Supervisory Board Member)

For the reasons for selection as director candidates, please refer to Pages 6-13 of the "Reference Material for the General Meeting of Shareholders" in the Notice of the 8th Ordinary General Meeting of Shareholders posted on the Company website.

(Notice of the 8th Ordinary General Meeting of Shareholders)

<https://www.concordia-fg.jp/en/shareholder/stock/meeting/index.html>

For the reasons for selection as Audit & Supervisory Board Member candidates, please refer to Pages 14 and 15 of the "Reference Material for the General Meeting of Shareholders" in the Notice of the 5th Ordinary General Meeting of Shareholders, Page 15 of the "Reference Material for the General Meeting of Shareholders" in the Notice of the 7th Ordinary General Meeting of Shareholders, and Pages 16 and 18 of the "Reference Material for the General Meeting of Shareholders" in the Notice of the 8th Ordinary General Meeting of Shareholders posted on our website.

(Notice of the 5th Ordinary General Meeting of Shareholders, Notice of the 7th Ordinary General Meeting of Shareholders, and Notice of the 8th Ordinary General Meeting of Shareholders) <https://www.concordia-fg.jp/en/shareholder/stock/meeting/index.html>

[Supplementary Principle 3-1 ③] (Initiatives on Sustainability, etc.)

#### 1. Initiatives on Sustainability

As a company-wide basic policy on sustainability for local communities, we have adopted a Group Sustainability Policy, which states, “Based on our management philosophy, we will achieve sustainable increase of corporate value, solve social issues through our core business, and contribute to the sustainable development of society by engaging as a member of the community in activities that contribute to the community”.

In order to promote concrete initiatives based on the Group Sustainability Policy, issues related to sustainability in local communities are reviewed and discussed from the perspectives of their importance to stakeholders and their priority for the Group, and are identified as materialities (priority issues to be resolved) through deliberation by the Board of Directors. We aim to be “a solution company rooted in communities and selected as a partner to walk together with” by reflecting materiality-based risks and opportunities in our business strategies, and by achieving sustainable development of local communities and sustainable growth of our group through value co-creation with our stakeholders.

The Group Sustainability Committee, chaired by the president, regularly deliberates on these sustainability initiatives and reports its deliberations to the Board of Directors, which oversees our sustainability initiatives.

#### 2. Addressing Climate Change

The Group has identified Measures against Global Warming and Climate Change as one of its materialities and is examining the impact on its business of the transition to a decarbonized society associated with climate change and is developing and implementing strategies in order to address climate change in order to address these risks and opportunities.

As risks related to climate change, the Group is working to identify and assess transition risks (risks associated with the transition to a decarbonized society) and physical risks (risks associated with severe natural disasters and extreme weather events) in line with the TCFD’s recommendations. We are conducting scenario analyses to quantify the financial impact on sectors assumed to be vulnerable to climate change, and have calculated GHG emissions in our investment and loan portfolios, particularly in the area of business lending.

As a financial institution, the Group recognizes that it can contribute to the realization of 2050 Carbon Neutrality in Japan by achieving net zero GHG emissions in its own investment and loan portfolio, and will support decarbonization efforts by providing optimal solutions tailored to the phase of customer initiatives, such as visualizing GHG emissions, setting targets for reduction, and taking action to reduce emissions.

In addition, as a member of the local community, we are actively promoting decarbonization in our own business activities. We have set carbon neutrality (Scopes 1 and 2) by FY2030 as a goal and are tackling this through efforts that include energy conservation and switching to real renewable energy for the electricity we ourselves contract for.

The Company discloses information on the impact of risks and opportunities related to climate change on its business activities, earnings, etc. in its Integrated Report and on its website in accordance with the disclosure framework of the TCFD.

#### 3. Investment in Human Capital

Based on the recognition that employees are important “human resource” indispensable for the realization of our management philosophy and “capital” that is a source of value creation, the Group aims to achieve sustainable growth for itself as well as sustainable development of local communities by proactively investing in “human resources” and continuously increasing their value. In addition, employees are important “stakeholders,” and our management philosophy states that we will “continue to be an attractive company where employees can be proud to work”.

Based on this thinking, in April 2023, we established the Group Human Resource Policy, a basic policy to enhance the value of human capital toward our vision of being “a solution company rooted in communities and selected as a partner to walk together with” and we formulated our Group Human Resource Strategy in conjunction with our management strategy to build the talent portfolio that we aim for in the medium to long term. We are working to enhance the capabilities of each employee, to build a highly productive organization in which diverse human resources can use their skills to the fullest, and to maximize the value of human capital.

The Group Human Resource Strategy covers the period through FY2027, and has three basic themes: “Human Resource Development” that values the desire to grow and take on challenges, “Building an Organization” where diverse human resources can work energetically, and “Creating an Environment” that starts with the well-being of each individual. Under these three basic themes, we will work on each of the main measures to enhance the total attractiveness of the company (response index in the employee awareness survey), while building a human resource portfolio with quantity (sales personnel ratio) and quality (solution earnings per employee) that we aim to achieve over the medium to long term. We aim to achieve an ROE of around 7.0% as a result.

Also, at each Group company we have established an organization for the management and utilization of intellectual property, such as patents and trademarks, and we are utilizing intellectual property as we advance initiatives to achieve our vision.

For details on the above-mentioned initiatives, please refer to the Company’s website and the Integrated Report (Disclosures Report).

(Initiatives on sustainability) <https://www.concordia-fg.jp/en/csr/index.html>

(Measures against climate change) <https://www.concordia-fg.jp/en/csr/ecofriendly/index.html>

(Investment in human capital, etc.) <https://www.concordia-fg.jp/en/shareholder/disclosure/index.html>

[Supplementary Principle 4-1 ①] (Outline of the Scope of Delegation to Management)

By defining the range of matters to be resolved by the Board of Directors via rules such as the “Regulations on Board of Directors” and by explicitly defining the range of duties entrusted to management meetings and the management team, the Board of Directors makes important decisions regarding such matters as Group management policies, including management plans, matters related to governance, and basic policies pertaining to risk and compliance, while also taking on a more effective function supervising management.

[Principle 4-8] (Effective Use of Independent Outside Directors)

In order to ensure that the composition of the Board of Directors as a whole has a good balance of knowledge, experience, and abilities, and in order to take in opinions and advice with outside perspectives, and in order to ensure that the Board of Directors functions highly effectively supervising management, the Company appoints outside directors who have a standpoint independent from the Group to make up at least one third of all directors. At present, the Company has three independent outside directors out of a total of eight directors.

[Principle 4-9] (Criteria for determining independence)

The Company selects candidates for outside director and outside Audit & Supervisory Board Members from persons who satisfy the independence criteria provided by the financial instruments exchange on which the Company is listed, and who also meet the "Criteria for Independence of Outside Officers" below.

○Criteria for Independence of Outside Officers

In principle, a candidate for outside director or outside Audit & Supervisory Board Member of the Company or any of its Group companies shall not presently or recently fall into any of the following categories.

- (1) A. Persons for whom the Company or any of its Group companies is a major transaction counterparty or executives of an incorporated entity, etc. for which the Company or any of its Group companies is a major transacting counterparty  
B. Persons who are a major transaction counterparty for the Company or any of its Group companies or who are executives of an incorporated entity, etc. that is a major transaction counterparty of the Company or Group companies.
- (2) Consultants, accounting professionals, legal professionals, etc. who receive a large amount of money or others assets from the Company or any of its Group companies other than as executive compensation
- (3) Members of any consulting firm, accounting firm, law firm, etc. for whom the Company or any of its Group companies is a major client
- (4) Persons who receive a large donation, etc. from the Company or any of its Group companies or executives of an incorporated entity that does so
- (5) Major shareholders of the Company or executives of an incorporated entity that is a major shareholder of the Company, etc., its executive person
- (6) Close relatives of any of the following (except immaterial persons)
  - A. Those who fall into (1) to (5) "above"
  - B. A director, Audit & Supervisory Board Member, executive officer, key employee, etc. of the Company or any of its Group companies

\* Definition of "recent":

A case that can be regarded as substantially current, including, for example, a case in which a person was a Director or Audit & Supervisory Board Member at the time the proposal for selection as an outside director or outside Audit & Supervisory Board Member was decided upon at a General Meeting of Shareholders.

\* Definition of "major":

Judgment is made on the basis of 1% or more of consolidated net sales (or consolidated gross business profit in the case of the Company or any of its Group companies) for the most recent fiscal year.

\* Definition of "incorporated entity":

Includes organizations other than corporations.

\* Definition of "large amount":

Annual average of ¥10 million or more per year over past 3 years

\* Definition of "close relative":

Relative within the second degree

\* Definition of "immaterial person":

A person in a position subordinate to an officer or department manager of a company or, for persons in accounting or law firms, a person in a position subordinate to a certified public accountant or lawyer

[Supplementary Principle 4-10 ①] (Committee independence views, authority, roles, etc.)

Please refer to "II. 1. Matters Related to Organizational Structure and Operations [Relationship to Directors] Voluntary Committee Establishment Status, Member Composition, Chair Attributes and Supplementary Explanation".

[Supplementary Principle 4-11 ①] (Views on the balance of knowledge, experience, and abilities, diversity, and size of the Board of Directors as a whole)

In order to ensure the independence of the Board of Directors and the fair and transparent performance of its functions, outside directors who are independent from the Group are selected as at least one-third of the total number of directors. Internal directors who are familiar with the Group's operations are combined with outside directors who have extensive experience and knowledge from outside the Company to give the Board of Directors a diverse membership with different expertise, experience, etc. For the expertise and experience required by the Company, we think that "regional operations" is an essential aspect given the business models of subsidiaries that are regional financial institutions. "Corporate management & organizational operation", "legal affairs and risk management", and "finance and accounting" are universally required for company management. Greater expertise in "international and market operation" and "ICT and digital (DX)" is needed to respond to changes in the business environment. The combinations of skills possessed by Board of Directors as a whole, including not only the directors, but also Audit & Supervisory Board Members and executive officers, who are effectively members of the Company's Board of Directors, can be found on Pages 20 and 21 of the "Reference Material for the General Meeting of Shareholders" in the Notice of the 8th Ordinary General Meeting of Shareholders, which is available on the Company's website.

(Notice of the 8th Ordinary General Meeting of Shareholders)

<https://www.concordia-fg.jp/en/shareholder/stock/meeting/index.html>

[Supplementary Principle 4-11 ②] (Status of Concurrent Positions of Directors and Audit & Supervisory Board Members)  
The status of important concurrent positions of Directors and Audit & Supervisory Board Members each year is given in the "Reference Materials for the General Meeting of Shareholders" of the "Notice of a General Meeting of Shareholders" of the Company and in the attached "Business Report".

(Notice of General Meeting of Shareholders) <https://www.concordia-fg.jp/en/shareholder/stock/meeting/index.html>

Information on the significant concurrent positions held by outside directors and outside Audit & Supervisory Board Members as of the date of the update of this report is given in "II. 1. Organizational Structure and Operations. [Directors] Relationship with Company (2)" and "II. 1. Organizational Structure and Operations. [Audit & Supervisory Board Members] Relationship with the Company (2)".

[Supplementary Principle 4-11 ③] (Analysis and evaluation of the overall effectiveness of the Board of Directors)

The Company analyzes and self-evaluates the overall effectiveness of the Board of Directors every year. Based on the evaluation results, in order to further improve its effectiveness, it discusses and shares issues to be addressed and items to be strengthened in order to continuously improve the effectiveness of the Board of Directors.

The basic policy for evaluating the effectiveness of the Board of Directors is set out in Article 22 of the Corporate Governance Basic Policy.

#### <Evaluation Method>

In our effectiveness evaluation, we conduct questionnaires and interviews from the perspective of utilizing the viewpoints of third parties, tabulate and analyze the results, then conduct the self-evaluation. The concrete evaluation method is as follows.

1. We had all the directors and Audit & Supervisory Board Members, who make up the Board of Directors, complete a questionnaire, which was handled by a third party to ensure objectivity and transparency. The questionnaire covers approximately 40 items, including the composition of the Board of Directors, its operation and the content of discussions, as well as the support systems for directors and Audit & Supervisory Board Members.
2. Interviews were conducted with each director and Audit & Supervisory Board Member in order to confirm and gather specific opinions on the results of the questionnaire responses, etc.
3. After compiling and analyzing the results of 1 and 2 above, the Board of Directors deliberates on and shares about whether the Board of Directors as a whole is effective in light of the roles and responsibilities it should fulfill, and conducts a self-evaluation.

#### <Evaluation results summary, etc. for FY2023>

For FY2023, in light of the roles and responsibilities to be fulfilled by the Board of Directors, under the themes of "1. Strengthening Discussion on Medium- to Long-Term Strategies to Increase Corporate Value", "2. Enhancing Board of Directors' Management and Making It More Efficient", "3. Improving Monitoring Functions" and "4. Strengthening Stakeholder Communication", we moved forward with various initiatives for increasing the effectiveness of the Board of Directors. As a result of these efforts, the Board of Directors conducted and shared a self-evaluation that concluded that "the Board of Directors as a whole continued to be generally effective in FY2023".

The following is a summary of the self-evaluation of each topic shared by the Board of Directors, as well as a summary of issues to address and items to strengthen for further improvement in effectiveness.

#### 1. Strengthening Discussions on Medium- to Long-Term Strategies to Increase Corporate Value

Working on improving discussions on medium- to long-term strategies for enhancing corporate value, such as discussions on the effective use of capital, which were held several times, and discussions on the direction of group-related businesses in the medium to long term, deepened each strategy and also led to making some strategies more concrete. For FY2024, we confirmed the importance of enhancing key strategic discussions in the next medium-term management plan, as well as continuing further discussions on improving ROE and reducing shareholders' equity costs in order to increase corporate value, and on optimizing allocated capital and improving risk/return for each company department in order to achieve these improvements.

#### 2. Raising the level of Board of Director operations and making it more efficient

We confirmed that the integrated management of Boards of Directors of the Company and of the Bank of Yokohama, and the participation of Company directors as observers in the Higashi-Nippon Bank Board of Directors meetings have reduced the information gap between the directors, leading to a deeper understanding of the Company group and improved deliberations at Board meetings, and that by organizing issues through explanations in advance of meetings, the quality of discussions at the Board of Directors have been improved and its operation made more efficient. For FY2024, we confirmed that there is room for improvement in the efficiency of Board of Director operations, such as by reducing the volume of materials at meetings, and that it is necessary to enhance the back and forth exchange of opinions among the directors in order to further invigorate discussions at Board meetings.

#### 3. Improved monitoring functions

We confirmed that the company has been able to continue effective monitoring of the progress of important management plans and strategies, such as the medium-term management plan and the sustainability strategy, in order to increase the certainty of target achievement, for example by raising some of the target indicators and adding or expanding others, and that by enhancing budget deliberations through the Risk Appetite Framework, the company has improved the quality of monitoring. Looking ahead to FY2023, we confirmed the importance of increasing the effectiveness of monitoring to improve the soundness of our securities portfolio, which is one of our key management issues.

#### 4. Strengthening stakeholder communication

With regards to efforts to expand constructive dialogue and information disclosure with shareholders, and to ensure appropriate collaboration with stakeholders other than shareholders, we confirmed that progress has been made in developing a system for strengthening stakeholder communication such as by enhancing information disclosure through financial results briefings and IR Days (management strategy briefings) for institutional investors, and continuing to hold town hall meetings for the purpose of dialogue between management and employees. Looking ahead to FY2024, we confirmed the importance of enhancing engagement with individual investors.

For FY2024, we will work on further raising the effectiveness of the Board of Directors for the sake of promoting sustainable growth of the Company and increasing its medium- to long-term corporate value.

[Supplementary Principle 4-14 ②] (Training Policy for Directors and Audit & Supervisory Board Members)

#### 1. Internal Executives

We provide opportunities for Directors, Audit & Supervisory Board Members, and other officers to obtain and update knowledge and information, and to obtain advice from outside experts (hereinafter, "information provision opportunities") so that they can fulfill their roles and responsibilities. In FY2023, we provided opportunities for newly appointed Directors to acquire the knowledge necessary to fulfill the roles, duties, and responsibilities expected of Directors, including matters relating to the Companies Act, related laws and regulations, and corporate governance. In addition, 14 information provision opportunities and other activities were held for Directors, Audit & Supervisory Board Members, and executive officers with the central themes of Digital/IT, Sustainability, and Open Innovation.

#### 2. Outside directors

To enable outside directors and Audit & Supervisory Board Members to fulfill their roles and responsibilities, we provide them with opportunities to acquire knowledge and information on the management philosophy, management policies, management plans, and business structure of the Group at the time of their appointment. After they assume office, in addition to the information provision opportunities, etc. described in 1. above, the Bank provides opportunities to visit sales branches to deepen their understanding of the operations and business sites of subsidiary banks as well as opportunities for dialogue with shareholders, analysts, etc. in order to deepen their awareness of opinions and proposals received from the market.

[Principle 5-1] (Policy on the development of systems and initiatives to promote constructive dialogue with shareholders)

The following policy has been established to promote constructive dialogue with shareholders in a positive manner.

#### 1. Dialogue with shareholders

To institutional investors, major shareholders, and analysts in Japan and overseas, we strive to explain our business performance and management strategies and actively exchange opinions through semi-annual results briefings, small meetings for each quarter's results, IR Day for management strategy briefings, and individual meetings. Furthermore, the Company shall also endeavor to engage in proactive dialogue with minority shareholders, including individual investors, through various types of IR events, including briefings. In addition, representative directors are responsible for proactively providing opportunities for dialogue in response to requests from shareholders. Officers other than representative directors, including outside directors, also participate in these dialogues.

<List of activities in FY2023>

Major Respondents in Dialogue with Investors and Shareholders and Results of Activities

- President and Representative Director: General Meeting of Shareholders, financial results briefings (2 times), IR Day (3 times), small meeting (1 time), dialogue with domestic and overseas institutional investors (IR, 12 times), dialogue with shareholders (SR, 1 time)
- Representative Director: General Meeting of Shareholders, financial results briefings (2 times), quarterly financial results briefings (2 times), IR Day (3 times), dialogue with domestic and overseas institutional investors (IR, 63 times), briefings for individual investors (3 times)
- Corporate Communication Office, Corporate Planning Department (department in charge of IR): Dialogue with domestic and overseas institutional investors (IR, 144 times), dialogue with shareholders, etc. (SR, 22 times)

<Summary of institutional investors, shareholders, and analysts with whom we have had dialogue (total number of companies; distinction between active and passive investors is as recognized by the Company)>

(1) Domestic (174 companies)

A. Active/passive, etc.

Active: 105 companies

Passive: 24 companies

Sell-side: 40 companies

Policy shareholdings: 5 companies

B. Respondent's area of responsibility

Fund managers and analysts: 189

ESG and voting: 24

(2) Overseas (68 companies)

A. Active/passive, etc.

Active: 68 companies

B. Respondent's area of responsibility

Fund managers and analysts: 76

Please refer to our website and Integrated Report (Disclosures Report) for the main themes of the dialogue and matters of interest.

(Stakeholder Engagement) <https://www.concordia-fg.jp/en/csr/engagements/index.html>

(Integrated Report) <https://www.concordia-fg.jp/en/shareholder/disclosure/index.html>

#### 2. System to promote constructive dialogue

The Company has established a system to collect, analyze, and provide a variety of management information to shareholders in an appropriate form by designating the Corporate Planning Department as the contact point for shareholders to request consultation with, and by having the Corporate Planning Department collaborate with the Sales Department and Risk Management Department.

#### 3. Strengthen means of dialogue other than individual dialogue

As part of dialogue with shareholders, we strive to disclose easy-to-understand information through our website, Integrated Report (Disclosures Report), etc.



#### 4. Feedback of Shareholder Opinions

Opinions and requests received in dialogue with shareholders and investors are reported to the Board of Directors and management in a timely and appropriate manner. For FY2023, the report was presented to the July and December Board of Directors meetings. In addition, the IR department provides feedback in the form of reports to the directors, Audit & Supervisory Board Members and executive officers on a weekly basis.

#### 5. Management of Insider Information

The Company establishes and disseminates internal rules for appropriately managing important corporate information in order to prevent insider trading. In order to ensure fairness to our shareholders, we will refrain from accepting questions or commenting on our business outlook during the period between the end of each quarter and the announcement of financial results.

[Principle 5-2] (Formulation and publication of management strategies and plans)

As a financial group that is trusted by customers and indispensable to its region, the Group aims to realize its long-term vision of being "a solution company rooted in communities and selected as a partner to walk together with" and to increase its corporate value, and has set a long-term goal level of 7.0% ROE (consolidated basis, shareholders' equity basis) as its management target. In order to realize these management goals, we are currently promoting the medium-term management plan, which covers the three-year period from FY2022 to FY2024. The ROE for FY2023, the second year of the plan, was 5.8%. Our shareholders' equity cost is estimated to be around 6.0% to 9.0% calculated based on CAPM (proprietary standard) and stock yield. Therefore, our ROE is below the shareholders' equity cost. We recognize that achieving ROE above the shareholders' equity cost is essential for improving our corporate value.

The Group intends to steadily increase ROE by allocating management capital, including economic and human capital, to the solutions business and by working for sustainable profit growth with solutions earnings as the driver. We aim to achieve ROE of 6.0% in the final year of the current medium-term management plan (FY2024), 7.0% in the next medium-term management plan period, and in the future, we aim to always have ROE of 9.0%, which is above the normal cost of shareholder's equity.

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

Please refer to following materials for the outlines of the action to implement management that is conscious of cost of capital and stock price.

(IR Presentation Materials) <https://www.concordia-fg.jp/en/shareholder/presentation/index.html>

• Information Meeting (Interim Financial Results of the FY2023 and Initiatives to enhance corporate value) Pages 16-30

• Information Meeting (FY2023 Financial Results and Initiatives to enhance corporate value) Pages 10-30

(Integrated Report 2024) <https://www.concordia-fg.jp/en/shareholder/disclosure/index.html>

• A Message from the Director of Finance Pages 13-18

• Initiatives to Raise Corporate Value Pages 39-108

## 2. Capital structure

Foreign Shareholding Ratio	34.18%
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### [Status of Major Shareholders]

Name or title	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	170,118,200	14.58
Custody Bank of Japan, Ltd. (Trust Account)	64,931,700	5.56
Mizuho Trust & Banking Co., Ltd. Employee Pension Trust (Meiji Yasuda Life Insurance Company account), Re-trust Trustees, Custody Bank of Japan, Ltd.	36,494,000	3.12
Meiji Yasuda Life Insurance Company	30,061,626	2.57
Northern Trust Co. (AVFC) RE Silchester International Investors International Value Equity Trust (Standing proxy: Tokyo branch, The Hong Kong and Shanghai Banking Corporation Limited, Custody Service Department)	26,323,800	2.25
Nippon Life Insurance Company	24,578,648	2.10
State Street Bank West Client - Treaty 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	23,868,991	2.04
State Street Bank and Trust Company 505001	15,919,261	1.36

(Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)		
JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	15,039,919	1.28
JPMorgan Securities Japan Co., Ltd.	14,775,229	1.26

Controlling Shareholder (except for Parent)	_____
Parent	Not adopted

Supplementary Explanation
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The above is as of March 31, 2024.

(\*) 1. The large shareholdings report made available for public inspection on October 4, 2023 shows that BlackRock Japan Co., Ltd. and seven other joint holders held the following number of shares as of September 29, 2023, but as the Company is unable to confirm the number of shares actually held as of March 31, 2024, they are not included in the above list of major shareholders. Details included in the large shareholdings report are as follows:

Name of Large Volume Shareholder BlackRock Japan Co. Ltd. (and seven other joint holders)

Number of Shares Held 76,850,600 (including holdings of joint holders)

Holding Ratio of Share Certificates and Other Securities 6.53%

2. The large shareholdings report (change report) made available for public inspection on June 6, 2023 shows that Sumitomo Mitsui Trust Bank, Limited and two other joint holders held the following shares as of May 31, 2023, but as the Company could not confirm the number of shares actually held as of March 31, 2024, that figure is not included in the above list of major shareholders.

Details included in the large shareholdings report are as follows:

Name of Large Volume Shareholder Sumitomo Mitsui Trust Bank, Limited (and two other joint holders)

Number of Shares Held 60,815,217 (including holdings of joint holders)

Holding Ratio of Shares 5.16%

3. The large shareholdings report (change report) provided for public inspection on November 1, 2023 shows that Silchester International Investors LLP held the following shares as of October 31, 2023, but as the Company could not confirm the number of shares actually held as of March 31, 2024, that figure is not included in the above list of major shareholders.

Details included in the large shareholdings report are as follows:

Name of Large Volume Shareholder Silchester International Investors LLP

Number of Shares Held 63,280,600

Percentage of Shares Held 5.37%

4. The large shareholdings report provided for public inspection on August 6, 2020 shows that Nomura Asset Management Co., Ltd. held the following shares as of July 31, 2020, but as the Company could not confirm the number of shares actually held as of March 31, 2024, that figure is not included in the above list of major shareholders.

Details included in the large shareholdings report are as follows:

Name of large volume holder: Nomura Asset Management Co., Ltd.

Number of shares held 60,551,400

Percentage of shares held 5.01%

### 3. Company Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime
Fiscal Year-End	March
Type of Business	Banks
Number of Employees (Consolidated) at End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more and less than ¥1 trillion
Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	From 10 to less than 50

**4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with a Controlling Shareholder**

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**5. Other Special Circumstances Which May Have Material Impact on Corporate Governance**

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## // Business Management Organization and Other Corporate Governance Systems Regarding Management

### Decision-Making, Execution, and Supervision

#### 1. Organizational Structure and Operations

Organization Form	Company with Audit & Supervisory Board
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	10
Term of Office Stipulated in Articles of Incorporation	1 year
Chairman of the Board	President
Number of Directors	8
Appointment of Outside Directors	Appointed
Number of Outside Directors	3
Number of Independent Officers Designated from among Outside Directors	3

#### Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k		
Mitsuru Akiyoshi	From another company													
Yoshinobu Yamada	From another company													
Mami Yoda	Scholar													

#### \* Categories for "Relationship with the Company"

"○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past;

"●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past

- a Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
- b Non-executive director or executive of the parent of the Company
- c Executive of a fellow subsidiary of the Company
- d Party whose major client or supplier is the Company or an executive thereof
- e Major client or supplier of the Company or an executive thereof
- f Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an audit & supervisory board member
- g Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
- h Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
- i Executive of a corporation to which outside officers are mutually appointed (the audit & supervisory board member himself/herself only)
- j Executive of a corporation that receives a donation from the Company (the director himself/herself only)
- k Others

#### Relationship with the Company (2)

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Mitsuru Akiyoshi	○	<Important concurrent positions> Advisor (Part-time) of Mizuho Marubeni Leasing Corporation Outside Audit & Supervisory Board Member, INPEX CORPORATION	<Reasons for Appointment as Outside Director> He has a wealth of experience as a corporate manager, having served as a representative director and executive vice

			<p>president of Marubeni Corporation and president and representative director of Mizuho Marubeni Leasing Co., Ltd. He has a wide range of expertise thanks to having worked in finance, IT, and legal departments at Marubeni Corporation. He has been appointed as an outside director with the expectation that he will continue to provide opinions and recommendations to directors and top management in a timely and appropriate manner from the perspectives of promoting sustainable growth of the Group and of improving corporate value over the medium to long term.</p> <p>&lt;Reasons for Designation as Independent Officer&gt;  There is no conflict with the independence criteria provided by the Tokyo Stock Exchange. The conditions of the "Criteria for Independence of Outside Officers of the Company" are satisfied. He was Senior Consultant and Director of Marubeni Corporation until June 2018, and he also served as President &amp; CEO of Mizuho Marubeni Leasing Corporation until March 2022. However, the amount of transactions between Marubeni Corporation, Mizuho Marubeni Leasing Corporation, and the Company and the Group companies in FY2023 was less than 1% of the company's consolidated net sales and the Company's consolidated gross operating income. As a result, his independence is not affected. Based on the above, the Company believes that there is no danger of a conflict of interest arising with general shareholders and has therefore designated him as an independent officer.</p>
Yoshinobu Yamada	○	<p>&lt;Important concurrent positions&gt;  Not adopted</p>	<p>&lt;Reasons for Appointment as Outside Director&gt;  He has abundant experience as an analyst and a high level of expertise in financial sector analysis and DX. He has been appointed as an outside director in the expectation that he will provide timely and appropriate opinions and suggestions to the directors and management from the perspective of promoting the sustainable growth of the Group and enhancing its corporate value over the medium to long term.</p> <p>&lt;Reasons for Designation as Independent Officer&gt;  There is no conflict with the independence criteria provided by the Tokyo Stock Exchange. The conditions of the "Criteria for Independence of Outside Officers of the Company" are satisfied. Based on the above, the Company believes that there is no danger of a conflict of interest arising with general shareholders and has therefore designated him as an independent officer.</p>
Mami Yoda	○	<p>&lt;Important concurrent positions&gt;  Professor, Department of English Language, Culture, and Communication, Faculty of Arts and Sciences of Sagami Women's University  Professor, Graduate School of Social Entrepreneurship of the Graduate</p>	<p>&lt;Reasons for Appointment as Outside Director&gt;  She worked rating and researching companies at Standard &amp; Poor's International LLC for many years, and currently teaches at Sagami Women's University and its graduate school as an expert in business administration. She has</p>

		School of Sagami Women's University Director (non-executive), the Bank of Yokohama, Ltd.	<p>been appointed as an outside director in the expectation that she will provide timely and appropriate opinions and suggestions to the directors and management from the perspective of promoting the sustainable growth of the Group and enhancing its corporate value over the medium and long term.</p> <p>&lt;Reasons for Designation as Independent Officer&gt; There is no conflict with the independence criteria provided by the Tokyo Stock Exchange. The conditions of the "Criteria for Independence of Outside Officers of the Company" are satisfied. Based on the above, the Company believes that there is no danger of a conflict of interest arising with general shareholders and has therefore designated her as an independent officer.</p>
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Voluntary Establishment of Committee(s) Equivalent to Nomination Committee or Compensation Committee      Established

#### Committee's Name, Composition, and Chairman's Attributes

	Committee's Name	Total Committee Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairman
Committee Equivalent to Nomination Committee	Compensation & Nomination Committee	3	0	0	3	0	0	Outside Director
Committee Equivalent to Compensation Committee	Compensation & Nomination Committee	3	0	0	3	0	0	Outside Director

#### Supplementary Explanation

For the purpose of ensuring objectivity and transparency in compensation and personnel matters of directors and executive officers (hereinafter, "Officers"), a Compensation and Personnel Committee consisting solely of outside directors has been established as a voluntary mechanism. The Compensation and Personnel Committee performs the functions of both a nominating committee and a compensation committee.

(Overview of the Compensation and Personnel Committee)

Composition/Independence: Composed solely of outside directors selected by resolution of the Board of Directors (hereinafter, "Committee Members").

In order to ensure the independence of the Compensation and Personnel Committee, all Committee Members are independent outside directors.

The Chairperson of this Committee shall be elected by the Committee Members from among themselves. In principle, the President shall provide explanations to the Committee, and if necessary, persons other than the Committee Members designated by the Chairperson may be allowed to attend the meeting and their reports or opinions to be heard.

Authority and Role: Discussion on compensation and personnel matters for directors of the Company and its subsidiaries. The Committee shall deliberate and decide the following matters.

1. Compensation for Company Officers

- (1) Details of the Company's compensation table according to position
- (2) Individual compensation amounts based on the Company's position-specific compensation table (excluding performance-linked compensation)
- (3) Amount of compensation linked to the Company's performance
- (4) Performance evaluation of the Company's executive directors and executive officers
- (5) Evaluation of the achievement of performance targets for the Company's medium- and long-term incentive compensation
- (6) Establishment, revision, or abolition of systems related to compensation for officers of the Company
- (7) Other matters deemed necessary by the Chairperson

2. Compensation for officers of subsidiaries

- (1) Details of subsidiaries' tables of compensation according to position
- (2) Amount of compensation linked to the subsidiary's performance
- (3) Evaluation of the achievement of performance targets for the subsidiary's medium- and long-term incentive compensation
- (4) Establishment, revision, or abolition of systems related to the compensation for officers of subsidiaries
- (5) Other matters deemed necessary by the Chairperson

3. Personnel matters regarding officers of the Company and its subsidiaries

(1) Appointment of candidates for Directors of the Company, and dismissal of Directors, and selection and dismissal of executive directors, representative directors, and the President and Executive Officer of the Company  
 (2) Selection and dismissal of the presidents of subsidiaries  
 (3) Other matters deemed necessary by the Chairperson  
 Names of committee members: (Chair) Mitsuru Akiyoshi (Outside Director), Yoshinobu Yamada (Outside Director), Mami Yoda (Outside Director)  
 Frequency of meetings: As necessary.  
 Secretariat: Office of the Secretary, Corporate Planning Department

(Activities in FY2023)

Frequency of meetings: 10 (excluding meetings held in writing)

Attendance: Mitsuru Akiyoshi (Outside Director) 10 times, Yoshinobu Yamada (Outside Director) 10 times, Mami Yoda (Outside Director) 10 times

Major items discussed:

- Matters concerning compensation

Verification by an external investigative body of executive compensation tables based on executive compensation data

Changes in executive compensation tables of the Company and its subsidiary banks

Policy, evaluation, etc. for short-term performance-linked compensation

Review of the policy for determining compensation, etc. for officers of the Company

- Personnel Matters

Group executive personnel

Succession plan operation and status

### [Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	5

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Department

Audit & Supervisory Board members shall conduct effective audits by ensuring close cooperation with accounting auditors, the internal audit department, and Audit & Supervisory Board members, etc. of the Group companies, etc. as well as by holding periodic meetings with the officers and employees of the Company and Group companies.

Status of appointment of Outside Audit & Supervisory Board Member	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Outside Audit & Supervisory Board Members who have been designated as an Independent Officer	3

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Keiichiro Hashimoto	From another company													
Seiichi Fusamura	Attorney													
Mayumi Noguchi	Certified public accountant													

\* Categories for "Relationship with the Company"

"○" when the audit & supervisory board member presently falls or has recently fallen under the category; "△" when the audit & supervisory board member fell under the category in the past;

"●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past

- a Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
- b Non-executive director or accounting advisor of the Company or its subsidiary
- c Non-executive director or executive of the parent of the Company
- d Audit & supervisory board member of the parent of the Company
- e Executive of a fellow subsidiary of the Company
- f Party whose major client or supplier is the Company or an executive thereof
- g Major client or supplier of the Company or an executive thereof
- h Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an audit & supervisory board member
- i Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
- j Executive of a client or supplier of the Company (which does not correspond to any of f., g., or h.) (the audit & supervisory board member himself/herself only)
- k Executive of a corporation to which outside officers are mutually appointed (the audit & supervisory board member himself/herself only)
- l Executive of a corporation that receives a donation from the Company (the director himself/herself only)
- m Others

Relationship with the Company (2)

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Keiichiro Hashimoto	○	<p>&lt;Important concurrent positions&gt;            Outside director FANCL Corporation            Director (non-executive), Maeda Road Construction Co., Ltd.            Outside Director of INFRONEER Holdings Inc.</p>	<p>&lt;Reasons for Appointment as Outside Audit &amp; Supervisory Board Member&gt;            He has served as General Manager of the International Business Division of the Bank of Tokyo-Mitsubishi, Ltd. He has also served as Representative Director, Executive Vice President, and Chief Financial Officer of Mitsubishi Motors Corporation and Representative Director, Chairman, and President of the Metropolitan Expressway Company, Ltd. Accordingly, he possesses substantial experience and broad insight as a bank and corporate executive. He is judged to be capable of forming and expressing audit opinions in a timely and appropriate manner from a neutral and independent position, and we have therefore appointed him as an Outside Auditor.</p> <p>&lt;Reasons for Designation as Independent Officer&gt;            There is no conflict with the independence criteria provided by the Tokyo Stock Exchange. The conditions of the "Criteria for Independence of Outside Officers of the Company" are satisfied. He served as Vice Chairman &amp; President and Representative Director of the Japan Association of Corporate Executives (Keizai Doyukai) until April 2021 and Director of Shioya Tochi Co., Ltd. until December 2020, and served as Representative Director of T. Art Life Village until March 2023. However, the transactions between the Japan Association of Corporate Executives and the Company and Group companies are only related to payments to Association members and the amount of transactions in FY2023 was less than 1% of the Association's proceeds from business activities. Also, Shioya Tochi Co., Ltd. and T. Art Life Village have no business relationships with the Company or the Group companies. Therefore, this has no impact on his independence. Based on the above, the Company believes that there is no danger of a conflict of</p>



			interest arising with general shareholders and has therefore designated him as an independent officer.
Seiichi Fusamura	○	<p>&lt;Important concurrent positions&gt;  Attorney  Outside Director Nippon Kayaku Co., Ltd.</p>	<p>&lt;Reasons for Appointment as Outside Audit &amp; Supervisory Board Member&gt;  He has a wealth of experience and a wide range of knowledge as a legal expert, including holding senior positions in the legal profession. He is judged to be capable of forming and expressing audit opinions in a timely and appropriate manner from a neutral and independent position, and we have therefore appointed him as an Outside Auditor.</p> <p>&lt;Reasons for Designation as Independent Officer&gt;  There is no conflict with the independence criteria provided by the Tokyo Stock Exchange. The conditions of the "Criteria for Independence of Outside Officers of the Company" are satisfied. The relationship between Mr. Fusamura and the Company and its group companies does not affect his independence, as he is an attorney at law and does not receive any money or other assets other than his compensation as an outside Audit &amp; Supervisory Board Member of the Company.  Based on the above, the Company believes that there is no danger of a conflict of interest arising with general shareholders and has therefore designated him as an independent officer.</p>
Mayumi Noguchi	○	<p>&lt;Important concurrent positions&gt;  Head of Noguchi Certified Public Accountant Office  Outside Director of Fenwal Controls of Japan, Ltd.  Auditor (part-time) at Japan Green Investment Corp. for Carbon Neutrality (JICN)  Outside member of Audit &amp; Supervisory Board (part-time) at JSP Corporation</p>	<p>&lt;Reasons for Appointment as Outside Audit &amp; Supervisory Board Member&gt;  She has served as the head of a certified public accountant firm for many years and has experience in auditing at an auditing firm. She has a wealth of experience and a wide range of knowledge as a specialist in finance and accounting, and we have judged that she is capable of forming and expressing audit opinions in a timely and appropriate manner from a neutral and independent standpoint, and have therefore appointed her as an outside auditor.</p> <p>&lt;Reasons for Designation as Independent Officer&gt;  There is no conflict with the independence criteria provided by the Tokyo Stock Exchange. The conditions of the "Criteria for Independence of Outside Officers of the Company" are satisfied. Although Ms Noguchi is currently the head of the Noguchi Accounting Office, there are no transactions between her office and the Company or any of its group companies, so her independence is not affected.  Based on the above, the Company believes that there is no danger of a conflict of interest arising with general shareholders and has therefore designated her as an independent officer.</p>

**[Independent Officers]**

Number of Independent Officers	6
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Matters relating to Independent Officers
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All six outside officers who meet the qualifications for independent officers are designated as independent officers. When the "Criteria for Independence of Outside Officers in "I 1. Basic Concepts [Disclosure Based on the Principles of the Japan's Corporate Governance Code][Principle 4-9] (Criteria for determining independence)" are met, Information on "Relationship with the Company" and transactions is within the scope of minor criteria and is omitted.

## [Incentives]

Implementation of Measures to Provide Incentives to Directors	Performance-linked compensation
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Supplementary Explanation

For directors (excluding non-executive directors and outside directors) and executive officers with whom the Company has concluded a mandate agreement, the Company has introduced a stock compensation system using a trust as a compensation system to implement proactive governance. The purpose of the system is to have these directors and executive officers share interests with shareholders, to promote the sustainable growth of the Group as a whole, and to increase their motivation to enhance corporate value over the medium to long term.

Details of the stock compensation system are provided in "Disclosure of Policy for Compensation Amounts and for Determining the Methods for Calculating Them".

Recipients of Stock Options	
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Supplementary Explanation

## [Director Compensation]

Disclosure of Individual Directors' Compensation	No individual disclosure
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Supplementary Explanation

The total amount of compensation, etc. by officer category, total amount of compensation, etc. by type, and the number of eligible officers in FY2023 are as follows:

[Directors (excluding outside directors)]: Total amount of compensation, etc. ¥129 million Number of eligible officers: 6  
 <Breakdown> Basic compensation: ¥86 million, short-term performance-linked compensation: ¥22 million, stock compensation: ¥19 million (of which, Trust I: ¥11 million, Trust II: ¥8 million)

[Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)] Total amount of compensation, etc.: ¥36 million Number of eligible officers: 2

<Breakdown> Basic compensation: ¥36 million, short-term performance-linked compensation: 0, stock compensation: 0

[Outside officers] Total amount of compensation, etc.: ¥59 million Number of eligible officers: 6

<Breakdown> Basic compensation: ¥59 million, short-term performance-linked compensation: 0, stock compensation: 0

\*1. Amounts less than the unit are truncated.

2. The number of directors (excluding outside directors) paid and the amount of compensation include one director who retired on June 21, 2023.

3. Short-term performance-linked compensation is the amount recorded as expenses for accounting purposes in FY2023.

4. Stock compensation is the expenses relating to share distribution points granted in FY2023 based on the stock compensation system using a trust.

The total amount of the consolidated basis compensation, etc., which reflects the compensation at the Company's subsidiaries, is as follows:

[Total amount of compensation, etc. (excluding outside directors)]: ¥250 million Number of eligible officers: 6

<Breakdown> Basic compensation: ¥167 million, short-term performance-linked compensation: ¥45 million, stock compensation: ¥39 million (of which, Trust I: ¥22 million, Trust II: ¥17 million)

[Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)] Total amount of compensation, etc.: ¥51 million Number of eligible officers: 2

<Breakdown> Basic compensation: ¥51 million, short-term performance-linked compensation: 0, stock compensation: 0

[Outside Officers] Total amount of compensation, etc.: ¥65 million Number of eligible officers: 6

<Breakdown> Basic compensation: ¥65 million, short-term performance-linked compensation: 0, stock compensation: 0

Policy for Determining Compensation Amounts or Calculation Methods Thereof	Established
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Disclosure of Policy for Determining Compensation Amounts or Calculation Methods Thereof

1. Policy for determining directors' individual compensation, etc.

The Company has established, by resolution of the Board of Directors, a policy regarding the determination of individual director compensation (the "Policy"), a summary of which is as follows. The decision on this policy is made after deliberation by the Compensation and Personnel Committee, which is comprised solely of outside directors.

(1) Basic policy

- The compensation system for directors shall function as an appropriate incentive to promote the sustainable growth of the Group and increase its corporate value over the medium to long-term, while minimizing excessive risk-taking.
- Compensation composition, compensation composition proportions, and compensation levels are determined through periodic comparisons and verification based on data on executive compensation from external research organizations and objective survey data, using as benchmarks a group of companies with similar performance and business conditions to those of the Company.

(2) Compensation structure and details

[Director (except non-executive directors and outside directors)]

A. Compensation structure

- Compensation consists of basic compensation (fixed), short-term performance-linked compensation (performance-based), and stock compensation (Trust I: non-performance-linked, Trust II: performance-linked).
- The amount of basic compensation and standard amounts of short-term performance-linked compensation and stock compensation are determined for each job position, and the proportions of the respective compensation components are "basic compensation" 66%, "short-term performance-linked compensation" 17% and "stock compensation" 17%. (If short-term performance-linked compensation and stock compensation are paid at standard amounts).

B. Details of each compensation type, etc.

(a) Basic compensation

- The basic compensation is paid monthly based on the role and responsibilities.

(b) Short-term performance-linked compensation

- Short-term performance-linked compensation is an annual payment based on the Company performance and on the individual performance evaluation for the fiscal year.

• The Company's performance is evaluated based on "core net business profit" (the total for the Group's banks) and the "profit attributable to owners of the parent," which is the final operating result, and the basic amount for each position is determined according to this evaluation of the Company's performance. The basic amount for each position varies from 0% to 150% of the standard amount for the position.

• Personal performance is evaluated based on the degree of achievement of targets set at the beginning of each fiscal year (about five items are set for each person based on the department they are in charge of, such as achievement of budget, development of each measure, establishment of risk management system, etc.) The amount paid according to the individual's evaluation varies in the range of 70% to 130% of the base amount for the position. Note that the final evaluation of company performance and of individual performance is determined through deliberation by the Compensation and Personnel Committee.

(c) Stock compensation

• "Stock compensation" is the issuance and payment (hereinafter, "issuance, etc.") of Company shares and cash proceeds from the conversion of Company shares (hereinafter, "company shares, etc.") through a trust. Two types of trusts (Trust I and Trust II) have been established as follows.

In the event of a serious violation of a mandate contract between the Company and an officer concerning the officer's duties, or in the event of a sudden deterioration in business performance or a serious incident or scandal that damages corporate value, the Company may require that the officer forfeit stock delivery points (zeroing out), return granted Company stock (clawback), or provide compensation.

\* The Company has established Stock Acquisition and Ownership Guidelines and encourages directors, etc. of the company and its subsidiaries to acquire and hold a certain number of shares of the company's common stock in order to make them aware of management from the perspective of shareholders.

(Stock Acquisition and Ownership Guidelines) <https://www.concordia-fg.jp/en/company/base/governance/guideline/index.html>

a. Trust I

- Company shares, etc. equivalent to the standard amount for each position are accumulated monthly and their delivery to each officer is deferred until their retirement.

b. Trust II

Company shares, etc. equivalent to the standard amount for each position are accumulated monthly and deferred until the end of the medium-term management plan and company shares, etc. equivalent to the amount reflecting the performance-linked coefficient are issued, etc.

• The performance-linked coefficient varies within a range of 75% to 200% depending on the degree of achievement of the performance targets of the medium-term management plan. In order to increase incentives to achieve the goals of the medium-term management plan, the financial indicators used to determine the performance-linked coefficient are the following three target indicators in the medium-term management plan (FY2022- FY2024). The final performance-linked coefficient is determined in deliberation by the Compensation and Personnel Committee and is in the range of from -15% to +30% based on the assessment by an ESG assessment institution (FTSE/MSCI) and the status of efforts on non-financial items and qualitative matters in the medium-term management plan. However, the final performance-linked coefficient decided on shall not exceed a maximum of 200% or a minimum of 75%.

<Financial Indicators>

- ROE (consolidated basis, based on shareholders' equity (average of beginning and ending balances))
- OHR (consolidated basis)
- Common Equity Tier 1 Ratio (consolidated basis, Basel III finalized, fully implemented basis (excluding valuation difference on available-for-sale securities))

\* Details of ESG assessment and of the non-financial items in the medium-term management plan are as in the accompanying form.

[Non-Executive Directors/Outside Directors]

A. Compensation structure

• In view of their role supervising execution of business, compensation is not linked to performance, but is only basic (fixed) compensation.

B. Compensation details

• The basic compensation is paid monthly based on the role and responsibilities.

2. Details of compensation, etc. of Audit & Supervisory Board Members

Details of compensation, etc. of Audit & Supervisory Board Members are determined by deliberation among Audit & Supervisory Board Members and are as follows.

(1) Compensation composition

• To ensure neutrality and independence of Audit & Supervisory Board Members, compensation is not linked to performance, but is only basic (fixed) compensation.

(2) Details of each compensation type

• The basic compensation is paid monthly based on the role and responsibilities.

3. Matters relating to delegation associated with determining Directors' individual compensation, etc.

The President and Representative Director was the most suitable person to determine the details of compensation, etc. for each individual director in FY2023, as he was able to evaluate each director with a bird-eye view of the performance of the Company as a whole. Therefore, within the limits determined by a resolution of the General Meeting of Shareholders, the Board of Directors has decided to entrust the authority to President and Representative Director Tatsuya Kataoka. In exercising such authority, the Compensation and Personnel Committee deliberates on the matter. Because the details of the individual director's compensation, etc. are determined through this procedure, the Board of Directors has determined that the details are in line with this policy.

4. Date of resolution at the General Meeting of Shareholders and details of the resolution, etc.

The annual amount of "basic compensation" and "short-term performance-linked compensation," which are the monetary portions of compensation for directors, is no more than ¥430 million (including up to ¥50 million for outside directors), and that for Audit & Supervisory Board Members is no more than ¥120 million, each of which was approved at the General Meeting of Shareholders held on June 20, 2017. As of the close of the General Meeting of Shareholders, there were seven directors (including three outside directors) and five audit and supervisory board members. In addition, as a separate category from the monetary compensation, "stock compensation" for directors, excluding outside directors, is available for three financial years, including executive officers who have entered into a mandate agreement with the Company, with a total maximum monetary contribution by the Company of ¥414 million (¥160 million for Trust I and ¥254 million for Trust II) and a maximum number of points (number of Company shares) granted by the Company for each financial year of 373,700 points (145,200 for Trust I and 228,500 for Trust II), as approved at the General Meeting of Shareholders held on June 20, 2017. As of the close of the General Meeting of Shareholders, four directors were eligible for this system and three executive officers have entered into a mandate agreement with the Company.

**[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]**

Support systems for directors, including outside directors, and Audit & Supervisory Board Members, are as follows.

- To ensure that directors may obtain corporate information in a timely and appropriate manner, a responsible employee shall be assigned to the Corporate Planning Department, and he or she shall assist directors in obtaining information.
- To ensure that audits by Audit & Supervisory Board Members are conducted effectively, a dedicated employee is assigned to the Audit & Supervisory Board Office, and he or she shall support audits by Audit & Supervisory Board Members.
- In order to enhance the deliberations of the Board of Directors, the Company provides explanations of matters to be discussed at the Board of Directors to the outside directors and outside Audit & Supervisory Board Members in advance.
- While ensuring cooperation between outside directors, representative directors, Audit & Supervisory Board Members, the internal audit department and the accounting auditors, the Company also endeavors to promote exchanges between outside directors and directors, etc. of Group companies.

**[Status of Retired President and Representative Directors, etc.]**

Names, etc., of counselors, advisors, etc., who are former president and representative directors, etc.

Name	Title/Position	Responsibilities	Working Form and Conditions (Full-time/Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
Sadaaki Hirasawa	Honorary Advisor, The Bank of Yokohama, Ltd.	Substantive activities for social contribution and economic society, etc.	Part-time/unpaid	June 24, 2008	1 year
Tatsumaro Terazawa	Honorary Advisor, The Bank of Yokohama, Ltd.	Substantive activities for social contribution and economic society, etc.	Part-time/unpaid	June 19, 2018	1 year
Kenichi Kawamura	Advisor, The Bank of Yokohama, Ltd.	Substantive activities for social contribution and economic society, etc.	Part-time/paid	March 31, 2020	1 year

Other Matters
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- A system of counselors/advisors does not exist in the Company.
- The above information describes the situation in which a former president of the Bank of Yokohama, Ltd., has been appointed as an advisor or counselor to the bank. No person who has served as president of the Higashi-Nippon Bank, Limited. has been appointed as an advisor or counselor to the Higashi-Nippon Bank, Limited.
- Providing such persons carry out substantive activities to contribute to society, the business community, etc., a person who has held a position such as president may become a special advisor or advisor. Additionally, at The Bank of Yokohama, Ltd., a person who has held the position of Special Advisor may become Honorary Advisor.
- The term of office shall be one year or less, although there is no restriction on holding such a position for consecutive terms. In principle, the maximum period of service for a special advisor or advisor is six years and special advisors and advisors retire from office the month in which they reach the age of 70.
- Honorary advisors, special advisors and advisors are not involved in any decision-making related to the management of business operations.
- To enhance the objectiveness and transparency of decisions regarding appointment, compensation, etc. of honorary advisors, special advisors and advisors, outside directors shall be involved in these appointments, etc.
- The date of final retirement of the president of the Company, or the president or the chairman of the board of Bank of Yokohama, Ltd., is listed as the date of retirement of the president, etc.

## 2. Matters Concerning Functions of Business Execution, Audit and Supervision, Appointment and Compensation Decisions (Overview of Current Corporate Governance System)

The main organizations involved in management and control of management decision-making, execution, and supervision are as follows.

### (1) Board of Directors and Directors

- The Board of Directors defines the scope of the resolutions of the Board of Directors meetings based on regulations such as the Regulations on the Board of Directors, and clarifies the scope of delegation to the Management Conference, management team, etc. In this way, important decisions are taken on management plans, matters related to governance, and important Group management policies, such as basic policies on risk and compliance, and also the Board of Directors takes on the role of more effective management supervision.
  - In order to ensure that the Board of Directors functions most effectively and efficiently, and from the perspective of revitalizing the Board of Directors, the Articles of Incorporation stipulate that the number of directors be limited to 10. The Board of Directors is composed of a diverse range of directors with different backgrounds in expertise, experience, etc. in order to ensure that the Board of Directors as a whole has a well-balanced mix of knowledge, experience, and ability, combining internal directors familiar with the Group's operations with multiple external directors having a wealth of experience and knowledge outside the Company.
- \* Currently, of the eight directors (seven men, one woman), there are three independent outside directors. The members of the Board of Directors are as follows.

(Chairman) Tatsuya Kataoka (President and Representative Director )

Nobuo Onodera (Representative Director)

Yoshiyuki Oishi (Director)

Tomoki Arai (Director)

Toshihiko Onuki (Director)

Mitsuru Akiyoshi (Director)

Yoshinobu Yamada (Director)

Mami Yoda (Director)

(\* ) Directors Mitsuru Akiyoshi, Yoshinobu Yamada, and Mami Yoda are outside directors pursuant to Article 2, Item 15 of the Companies Act.

(2) The scope of duties of the Audit & Supervisory Board is established in the "Regulations on Audit & Supervisory Board". The Audit & Supervisory Board and its Members receive reports on important matters relating to auditing and discuss and decide on these matters.

Based on audit policies and audit plans set by the Audit & Supervisory Board, Audit & Supervisory Board Members audit the legality and appropriateness of Board of Directors' business execution by attending important meetings, such as Board of Directors meetings, by examining the state of operations and assets, by reviewing documents related to important decisions, by communicating with internal audit departments and group companies, and by exchanging information with accounting auditors and similar parties.

- To ensure the effectiveness of audits, the Articles of Incorporation stipulate a maximum of five Audit & Supervisory Board Members, with at least half that number being outside members. Currently, of the five Audit & Supervisory Board Members (four men and one woman), three are independent outside members. The members of the Audit & Supervisory Board are as follows.

(Chairman) Kazuhiro Maehara (Full-time Audit & Supervisory Board Member)

Mitsuhiro Hara (Audit & Supervisory Board Member)

Keiichiro Hashimoto (Audit & Supervisory Board Member)

Seiichi Fusamura (Audit & Supervisory Board Member)

Mayumi Noguchi (Audit & Supervisory Board Member)

(\* ) Audit & Supervisory Board Members Keiichiro Hashimoto, Seiichi Fusamura, and Mayumi Noguchi are Outside Audit & Supervisory Board Members pursuant to Article 2, Item 16 of the Companies Act.

### (3) The Management Conference

The Management Conference, which consists of representative directors, directors, and others, was established under the Board of Directors. Based on the basic policies and management plans decided by the Board of Directors, the Management Conference discusses and decides on important business execution matters and strategies for flexible business execution within the Group, and also holds preliminary discussions on resolutions of the Board of Directors as necessary.

The members of Management Conference are as follows.

(Chairman) Tatsuya Kataoka (President and Representative Director)

Nobuo Onodera (Representative Director)

Yoshiyuki Oishi (Director)

Tomoki Arai (Director)

Toshihiko Onuki (Director)

In addition, for important matters related to the Group's business execution, the following meetings are positioned as part of the Management Conference, and they deliberate intensively on items in their respective jurisdictions.

#### A. The Compliance Conference

Discusses and determines basic policy, etc. related to the Group's overall compliance and customer protection and monitors conditions at subsidiaries.

#### B. ALM and Risk Management Conference

The Conference discusses and makes resolutions on basic policy, planning, and key measures relating to the Group's ALM, integrated risk management, credit risk management, market risk management, liquidity risk management, operational risk management, and profit management, and monitors the status of subsidiary companies.

#### C. Group Sales Strategy Conference

In addition to discussing and determining the Group's basic policy, plan, and key measures related to the Group's sales strategy and partner strategy, the Group Sales Strategy Conference conducts monitoring of the state of progress of the Medium-term Management Plan, etc.

#### D. Administration and IT Systems Strategy Conference

In addition to discussing and determining the Group's overall measures on administrative optimization and system and administrative process integration and the basic policy, plan, and key measures related to the IT strategy, the Administration/IT Systems Strategy Conference conducts monitoring of the state of progress of the policies of subsidiaries.

#### E. Group Management Audit Conference

The Group Management Audit Conference discusses, determines, and reports on important matters related to internal audits as well as reporting on and discussing matters related to the results of audits by Audit & Supervisory Board Members and internal audits.

### (4) Compensation and Personnel Committee

• To ensure the objectivity and transparency of the compensation and personnel affairs of directors and executive officers, we have established a voluntary Compensation and Personnel Committee composed of outside directors. This committee deliberates on compensation and personnel matters for directors and executive officers. The members of the Compensation and Personnel Committee are as follows

(Chairman) Mitsuru Akiyoshi (Director)

Yoshinobu Yamada (Director)

Mami Yoda (Director)

(\*) Directors Mitsuru Akiyoshi, Yoshinobu Yamada, and Mami Yoda are outside directors pursuant to Article 2, Item 15 of the Companies Act.

### (5) The Group Sustainability Committee

• The Committee is chaired by the President of the Company. The committee deliberates regularly on the Group's sustainability initiatives and centrally manages progress.

### (6) Internal Audit Department

• The Board of Directors has established an Audit Department as an organization independent from executive departments. The Audit Department conducts internal audits of the effectiveness and appropriateness of internal management systems and internal controls.

• The Company's Audit Department works to strengthen internal auditing functions by evaluating the internal audit status of the Group companies and by performing internal audits that are consistent throughout the entire group.

• The state of the Company's accounting auditing is as follows.

(Auditor's name)

Deloitte Touche Tohmatsu LLC

(Continuous auditing period)

Since 1976

\* The Company is a holding company jointly established in 2016 through the transfer of shares by the Bank of Yokohama, Ltd. and the Higashi-Nippon Bank, Limited. The continuous auditing period above includes the continuous auditing of the Bank of Yokohama, Ltd.

(Certified public accountants who executed the audit duties)

Hiroyuki Hamahara, Yasuhiko Igarashi, Takeshi Shimoizaka

(Composition of assistants supporting audit duties)

The assistants for the Company's accounting audits are six certified public accountants and thirteen others.

### **3. Reasons for Adoption of Current Corporate Governance System**

The Company has an Audit and Supervisory Board, and its Board of Directors, auditors, and Audit and Supervisory Board are responsible for supervising management. Audit & Supervisory Board Members, including independent outside members, audit the legality and appropriateness of the directors' execution of their duties by attending meetings of the Board of Directors and by reviewing important documents, thus exercising their management auditing function. Furthermore, the three independent outside directors, in addition to supervising management from an independent standpoint, provide opinions and suggestions to ensure appropriate decision making.

The Company has adopted the current corporate governance system because it thinks that this system adequately fulfills the auditing and supervisory functions.

### III Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Status of Measures to Revitalize General Meetings of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Notification of General Meeting of Shareholders	The materials for the General Meeting of Shareholders are sent out at least three weeks prior to the date of the General Meeting of Shareholders. Before sending the materials out, the Company takes measures to provide them electronically on the Company's website and on the website of the Tokyo Stock Exchange.
Scheduling OGMs Avoiding the Peak Day	The 8th Ordinary General Meeting of Shareholders was held on June 21, 2024.
Allowing Electronic or Magnetic Exercise of Voting Rights	The Company facilitates the exercise of voting rights via the Internet.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company uses the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice in English (Translated Partially)	The Company creates an English version of the convocation notice (partial translation), discloses it to the Tokyo Stock Exchange, and posts it on the Company's Website.
Others	To enhance explanations to shareholders, the Company has implemented the following measures: <ul style="list-style-type: none"> <li>• One week before the date of the General Meeting of Shareholders, we publish the Business Report video to be shown at that meeting on our website.</li> <li>• Implement a live broadcast of the General Meeting of Shareholders on the Internet for shareholders.</li> <li>• Post results of acceptance or rejection of proposals on the Company's website</li> </ul>

#### 2. Status of IR Activities

	Supplementary Explanation	Explanation by Representative
Preparation and announcement of disclosure policy	The Company has established a "Disclosure Policy", which is posted on the Company's website. <a href="https://www.concordia-fg.jp/en/shareholder/disc/index.html">https://www.concordia-fg.jp/en/shareholder/disc/index.html</a>	
Regular Investor Briefings for Individual Investors	At least once a year, the management team explains the Company's performance, business strategies, etc. In FY2023, explanations were given by the officer in charge of the Corporate Planning Department, who oversees IR activities (currently Representative Director). We held three online briefings for individual investors in March. Around 2,500 people in total participated.	Not adopted
Regular Investor Briefings for Analysts and Institutional Investors	Briefings for analysts and institutional investors are held following the release of full year, interim, and quarterly financial results, where representative directors, etc. explain business performance, management strategies and other matters. In FY2023, four briefings were held and around 310 people in total participated. Each quarter, representative directors and other members of the management team meet individually with analysts and fund managers of major institutional investors in Japan to explain the business performance and management strategy. In FY2023, such meetings were held with a total of 151 companies. In addition, through interviews with the persons in charge of exercising voting rights at major domestic shareholders, we confirm the criteria for exercising voting rights and provide explanations of management strategies and initiatives related to ESG. In FY2023, such meetings were held with a total of 23 companies. In FY2023, we held three IR Days to explain our management strategy, the medium-term management plan, solution business, human resource strategy, market division, and governance. The President and Representative Director, the officer in charge of each strategy, and the Outside Directors took part in the presentations.	Established



Regular Investor Briefings for Overseas Investors	At least once every six months, the management team, including representative directors, explains business performance, management strategies and other matters to major overseas institutional investors in Europe, North America, and Asia through individual meetings. They also regularly participate in IR conferences held by securities companies and meet with overseas institutional investors. In FY2023, they met with a total of 68 companies.	Established
Posting of IR Materials on Website	<p>Various types of IR materials are posted on the Company's website promptly after their release.</p> <p>Major materials disclosed on the website are as follows:  Securities Report (available in Japanese only)/Quarterly Reports (available in Japanese only), Financial Summary Reports/Briefing Materials on Financial Results, Integrated Report (Annual Report), Concordia Report (available in Japanese only), IR Presentation Materials, Briefing Materials for Individual Investors (available in Japanese only), Rating Information, Bond Information (available in Japanese only), Analyst Coverage, News Releases, Materials Related to General Meeting of Shareholders, etc.</p> <p>Videos of financial results presentations, and IR Day and personal investor presentations as well as scripts and main Q&amp;A sessions are also available.</p> <p>A dedicated page for individual investors has also been established. It explains the Group's financial results, growth strategies, and other matters in an easy-to-understand manner. We have also established a contact system for IR inquiries in order to facilitate two-way communication.</p> <p>Various types of IR materials for overseas institutional investors are posted on the English version of the Company's website in a timely manner.  <a href="https://www.concordia-fg.jp/en/shareholder/disc/index.html">https://www.concordia-fg.jp/en/shareholder/disc/index.html</a></p>	
Establishment of Department and/or Manager in Charge of IR	<p>Officer in charge of IR: Nobuo Onodera, Representative Director</p> <p>Department in charge of IR: Corporate Communication Office, Corporate Planning Department</p> <p>Contact for IR administrations: General Manager of Corporate Communication Office, Corporate Planning Department</p>	

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	The Company has established provisions to ensure due respect for stakeholders in its management philosophy, in the Basic Regulations on Compliance, etc.
Implementation of Environmental Activities, CSR Activities, etc.	The Company has established and announced its "Group Sustainability Policy" and implements various measures based on these views. In addition, the Company takes various opportunities to disclose the results of these measures, including on its website and through the Integrated Report (Disclosures Report).
Formulation of Policies for Information Provision to Stakeholders	<p>The Company discloses information in a timely and appropriate manner in accordance with the Companies Act, the Banking Act, the Financial Instruments and Exchange Act and other laws and regulations, and the timely disclosure rules, etc. of financial instruments exchanges.</p> <p>In addition to information based on these laws, regulations, and rules, the Company also discloses information in an independent and proactive manner in order to contribute to the understanding of customers, shareholders, investors, and local communities.</p> <p>In addition, the Company also endeavors to provide English-language disclosure of important information.</p>

Others

[Initiatives for ensuring diversity]

[The Bank of Yokohama]

1. Promoting diversity

(1) Promotion of women's activities

Based on its general employer action plan, the Bank has established Hamagin Woman's Action, which aims to develop female executives and managers. The Bank conducts positive actions in order to improve the careers of female employees, such as position-based training that provides support for career building. The percentage of women in management positions as of March 31, 2024 was 20.6%.

(2) Strengthening mid-career recruitment

In order to secure human resources with various backgrounds and expertise, the Bank has introduced a "Professional Human Assets System" as an initiative to help improve our competitiveness in the recruitment market and has developed competitive compensation packages.

In addition, the Bank is diversifying its recruitment routes by strengthening its efforts for rehiring alumni through our Alumni Network\*, referrals from bank employees, referrals from agents, and direct scouting activities. We made 52 mid-career hires in FY2023.

\* Network of former employees of the Bank of Yokohama Group and the Bank Group. 147 alumni registered as of the end of FY2023 (94 new members in FY2023).

(3) Employment of persons with disabilities

A special subsidiary, Hamagin Business Challenged Co., Ltd., is at the center of the Banks support for the independence of persons with disabilities to achieve an inclusive society. The subsidiary is working to improve the workplace environment to support the active participation of employees with disabilities by sharing information with employees through Hamagin Business Challenged Plaza, and by holding study sessions with outside lecturers for the human resources department and managers who have subordinates with disabilities. In addition, our employment rate of persons with disabilities in FY2023 was 2.82%.

2. Promoting diverse work styles

(1) Initiatives to promote a more balanced work style

To promote employees' mental and physical health and to improve productivity, we are stepping up efforts to optimize working hours and to encourage employees to take paid leave. In FY2023, the uptake ratio for paid leave was 78.3% and the average number of days taken was 15.3.

(2) Measures to support work-life balance

The Bank is working to realize flexible working styles in accordance with employees' life events, such as raising children. In FY2023, to strengthen career support before and after taking maternity and childcare leave, the Bank conducted follow-up training for employees who have been back at work for one to two years after returning from maternity and childcare leave, as well as career support interviews for employees who wish to use the shortened working hours system. The Bank also encourages male employees to participate in childcare, and in FY2023, the percentage of male employees taking childcare leave was 119.2% and the average number of days taken was 4.4. The Bank also actively engages in awareness-raising activities for all employees, including holding training sessions under the theme of "participation of men in childrearing", "measures to prevent employees from retiring due to long-term care for their parents" and "supporting the balance between work and infertility treatment".

3. Other Initiatives

(1) Health Management

The Bank established "The Yokohama Bank Health Declaration" so that all employees can demonstrate their full potential through initiatives involving health management of its employees.

The Bank has established the Health Management Promotion Liaison Committee, which is led by the Chief Health Officer (CHO) and includes a member from each division of the Bank of Yokohama, the Yokohama Bank Health Insurance Society, and the health management center in order to promote health management by formulating specific measures for maintaining and improving employee health, ensuring these are implemented properly by checking progress as necessary, and verifying measurable effects such as in the results of regular medical checkups, thereby identifying issues and reflecting items to improve in future initiatives.

Specifically, the Bank is promoting initiatives including measures to prevent passive smoking (100% smoking free), implementation of non-smoking campaigns, expansion of persons eligible for thorough medical checkup programs, and establishment of health consultation counter for women, etc.

(2) Major external evaluations

2016: Received "Class 3" (the highest rank) in the "Eruboshi (L Star)" certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace

- 2018: Awarded "Japan's Minister of State for Special Missions Prize" at the "Advanced Corporation Awards for the Promotion of Women" held by the Cabinet Office
- 2019: Received "Platinum Kurumin" certification under the Act on Advancement of Measures to Support Raising of the Next Generation of Children Kanagawa Support Care Company Certification
- 2024: Recognized as a Certified KENKO Investment for Health Outstanding Organization 2024, White 500 (large enterprise category) under the Certified KENKO Investment for Health Outstanding Organizations Recognition Program (for the 6th consecutive year)

[The Higashi-Nippon Bank, Limited]

#### 1. Promoting diversity

##### (1) Promotion of women's activities

Aiming to create a workplace where all employees, including women, can work positively, the Bank is reforming the entire organization to raise awareness and improve the environment, focusing on "next generation development" and "work style reform" for women. In addition, the Bank has strengthened efforts by establishing a DEI Promotion Office in April 2024 with the aim of promoting the activities of diverse human resources. As of March 31, 2024, the percentage of women in management positions is 10.1%.

##### (2) Strengthening mid-career recruitment

In order to secure human resources with various backgrounds and expertise, the Bank is strengthening its efforts in referrals from bank employees, referrals from agents, and direct scouting activities to diversify its recruitment routes as an initiative to improve competitiveness in the recruitment market. The number of mid-career hires in FY2023 is two.

##### (3) Employment of persons with disabilities

The Bank works closely with vocational schools, employment support centers, and employment transition support offices in each municipality, aiming to realize an inclusive society in which diverse human resources can play an active role. The Bank holds study sessions with outside lecturers for the human resources department and managers who have subordinates with disabilities, to improve the workplace environment in support of the active participation of employees with disabilities.

#### 2. Promoting diverse work styles

##### (1) Initiatives to promote a more balanced work style

To promote employees' mental and physical health and to improve productivity, we are stepping up efforts to optimize working hours and to encourage employees to take paid leave. In FY2023, the uptake ratio for paid leave was 71.8% and the average number of days taken was 14.1.

##### (2) Measures to support work-life balance

The Bank continues to implement the Branch Registration System for Employees with Support in Work-Life Balance, which allows employees who need support in their work-life balance to register at branches close to their homes where they can work full-time, and the Bank encourages these employees to work full-time by considering transfers. The Bank also encourages male employees to participate in childcare, and in FY2023, the percentage of male employees taking childcare leave was 90.9%, and the average number of days taken was 13.7.

In addition, as part of its initiatives for employees on maternity and childcare leave, the Bank has developed the Higashi-Nippon Bank Support System that allows them to check the latest internal information and access self-development content from home. The Bank is also working to alleviate concerns about returning to work and provide support by holding seminars in line with the timing of their return to work and individual interviews regarding their return to work. From FY2024, the DEI Promotion Office will be implementing more in-depth initiatives to support employees' work-life balance.

#### 3. Other Initiatives

##### (1) Health Management

The Bank has formulated the Higashi-Nippon Bank Health Declaration to enable all employees to demonstrate their full potential through employee health management initiatives.

To put health management into practice, the Bank has established the Health Management Promotion Liaison Committee, led by the Chief Health Officer (CHO) consisting of members from relevant divisions of the Bank, the Higashi-Nippon Bank Health Insurance Society, and industrial physicians. The committee formulates specific measures to maintain and improve employee health, regularly checks the status of implementation and takes appropriate action, and quantitatively evaluates the effectiveness based on the results of regular health checkups, etc. to identify issues and reflect areas that need improvement in future initiatives.

Specifically, the Bank is promoting measures to prevent passive smoking (100% smoke free) and providing assistance to quit smoking, as well as providing assistance with checkups for diseases specific to women.

(2) Major external evaluations

2015: Received "Kurumin" certification under the Act on Advancement of Measures to Support Raising of the Next Generation of Children

2024: Recognized as a Certified KENKO Investment for Health Outstanding Organization 2024 (large enterprise category) under the Certified KENKO Investment for Health Outstanding Organizations Recognition Program (for the 3rd consecutive year)

## IV Matters Related to Internal Control Systems

### 1. Basic Concepts and State of Implementation of Internal Control Systems

(Basic Concepts of Internal Control System) In order to ensure that the Group complies with laws and regulations and the Articles of Incorporation and conducts its business appropriately, the Company shall establish and operate Internal Control Systems as follows, and work to improve their effectiveness by continuously assessing them and implementing improvement measures as required.

(1) Systems to ensure that execution of duties by directors and employees comply with laws and regulations and the Articles of Incorporation.

A. The Board of Directors formulated the "Basic Compliance Policy" that defines basic policy on compliance for the Group and ensures thorough compliance with laws and regulations by all officers and employees of the Group in areas such as customer protection, personal information protection, rejection of relationships with anti-social forces, money laundering prevention, etc.

B. The Board of Directors established the Compliance Conference (Management Conference) and as a plan outlining specific measures to realize compliance in the Group, formulates an annual Compliance Program based on the basic policy. The Board of Directors also increases effectiveness through management and guidance based on monitoring the status of progress of the Compliance Program and the status of compliance across the overall Group.

C. The Board of Directors shall establish a division to control Group compliance, and this compliance control division shall manage and direct compliance operations uniformly across the Group.

D. The Board of Directors developed a system to allow for direct reporting to the Company's compliance control division by all officers and employees of the Group regarding compliance issues. If a report is received, the compliance control division swiftly provides instructions for improvement, while also implementing measures for correction and improvement. The Company also established a channel within the Audit & Supervisory Board Office through which Audit & Supervisory Board Members can be directly contacted from both inside and outside the Company about matters concerning violations of laws and regulations in which a director or executive officer is involved, or inappropriate behavior in regard to the Group's accounting, internal controls for accounting, or accounting audits.

E. The Board of Directors works to maintain and improve its supervisory functions from an external viewpoint by appointing outside directors who have a standpoint independent from the Group to make up at least one-third of all directors.

F. The Board of Directors established an Audit Department as an organization independent from executive departments. This Audit Department conducts internal audits of the effectiveness and appropriateness of matters such as the compliance system.

(2) System for storage and management of information related to execution of directors' duties

Information related to execution of directors' duties, the minutes of each meeting, documents, etc. shall be stored and managed in accordance with the regulations. Furthermore, Directors and Audit & Supervisory Board Members may view these documents, etc. at any time.

(3) Regulations and other systems for management of loss risk

A. The Board of Directors systematically develops risk regulations centered on the "Basic Regulations on Risk Management" while also setting up a risk control division across the Group and risk management divisions categorized by risk type, thus creating a system to appropriately manage risk, including the spread and concentration of risk within the Group.

B. The Board of Directors formulates a risk appetite framework as a method for clarifying and monitoring the types and sizes of risks to be accepted as part of promoting the Company's operations, giving consideration to the balance of revenue, risk, and capital, and it strives to enhance governance related to overall risk management and to cultivate a risk culture.

C. Organizations such as the Board of Directors and Management Conference soundly and effectively implement risk management in the Group while also periodically and continuously reviewing policies and procedures on risk management in view of factors such as strategic goals and changes to the external environment of the Group. Furthermore, the ALM/Risk Management Conference, established as a Management Conference, ascertains the Group's exposure to various risks in a unified group framework, and utilizes the ascertainment of these risks in business execution at the subsidiaries and in the establishment of management systems there, thus increasing the effectiveness of risk management.

D. The Audit Department conducts internal audits of the effectiveness and appropriateness of risk management systems, etc.

(4) System to ensure the efficient execution of directors' duties

The Board of Directors seeks to promote the efficiency of directors' execution of their duties by establishing the following system.

A. Establishing the Management Conference composed of representative directors, directors, etc.

B. Explicitly stating the range of delegation of authority through the formulation of regulations regarding authority for duties

C. Formulation of corporate policies and management plans by the Board of Directors

D. Appropriate group business management, including performance and progress on major matters at Board of Directors meetings and management conferences

(5) System to ensure the appropriateness of financial reporting

The Board of Directors enacted Basic Rules for Internal Control over Financial Reporting in order to ensure the appropriateness of the Group's financial reporting.

(6) Systems to ensure appropriate operations of the corporate group

A. By defining basic regulations regarding corporate management of the Group and regulations regarding deliberation and reporting and explicitly stating the roles and responsibilities of the Company and subsidiaries, the Board of Directors ensures appropriateness and efficiency in operations of the Group.

B. The Board of Directors works to optimize the distribution of management resources in the Group and establishes the stance for risk management, compliance, etc. at the subsidiaries.

C. The Audit Department oversees the internal audits of the Group and, from the perspective of ensuring the appropriateness of business operations, conducts internal audits of all divisions and operations of the Company, except the Audit & Supervisory Board Member's office, as well as of the Group companies, and reports internal audit results to group management audit conferences, Board of Director meetings and Audit & Supervisory Board Members.

(7) Systems for employees requested by Audit & Supervisory Board Members to assist their duties, matters concerning the independence of such employees from directors, and matters concerning ensuring the effectiveness of the directions given to these employees

- A. An Audit & Supervisory Board Office has been established and dedicated employees are assigned to assist in the audit operations of Audit & Supervisory Board Members.
- B. Matters such as personnel transfers and human resource evaluations for employees belonging to the Audit & Supervisory Board Office are reported in advance to Audit & Supervisory Board Members, and the members shall be able to state their opinions.
- C. Employees belonging to the Audit & Supervisory Board Office execute their duties under direction from Audit & Supervisory Board Members.

(8) Systems for reports to the Audit & Supervisory Board or its members by directors and their assistants as well as by directors, Audit & Supervisory Board Members, and their assistants at subsidiaries, and systems for other reporting to the Audit & Supervisory Board or its members.

- A. If a director or employee discovers facts in the Group that may have a significant damaging impact on the Company, facts that show improper conduct, or significant facts that violate laws or regulations or the Articles of Incorporation, or if a director, Audit & Supervisory Board Member, or employee of a subsidiary discovers such facts at their respective companies, such a person shall report said facts either directly or indirectly to the Company's Audit & Supervisory Board or one of its members.
- B. Directors and employees of the Company and directors, Audit & Supervisory Board Members, and their assistants at subsidiaries report appropriately to the Company's Audit & Supervisory Board or its members regarding matters such as the status of execution of business.
- C. The Group shall not in any way treat disadvantageously any person who reports to the Company's Audit & Supervisory Board or to its members.

(9) Other systems to ensure effective audits by Audit & Supervisory Board Members

- A. In addition to attending Board of Directors meetings, Audit & Supervisory Board Members may attend conferences and committee meetings such as those of the Management Conference.
- B. Audit & Supervisory Board Members hold periodic meetings with representative directors in order to confirm management policies of the representative directors, while also exchanging views on matters such as issues to be addressed by the Group, risks the Group faces, the provision of environments for audits by Audit & Supervisory Board Members, and significant issues in audits, etc. Audit & Supervisory Board Members also actively exchange views with accounting auditors in the same fashion.
- C. Working closely with parties such as the accounting auditors, the Audit Department, and subsidiaries' Audit & Supervisory Board Members, Audit & Supervisory Board Members conduct effective audits by holding periodic meetings with officers and employees of the Group.
- D. Audit & Supervisory Board Members may direct the Audit Department to conduct and report on, etc. any necessary investigations if such action is deemed necessary to fulfill their duties.
- E. The Audit & Supervisory Board passes a resolution of agreement beforehand for the internal audit basic plan and appointment or dismissal of the General Manager of the Audit Department.
- F. Audit & Supervisory Board Members may receive reports beforehand on human resource evaluations, etc. of the General Manager of the Audit Department and attach their opinions on such reports.
- G. Pursuant to Article 388 of the Companies Act, the Company shall make payment for any fees incurred during audits, based on the demands of Audit & Supervisory Board Members.

(Outline of Internal Control System Implementation Status)

In principle, the Company periodically verifies the status of the Group's internal control framework and its operation once a year, and reviews it as necessary. In FY2023, the verification was carried out at a meeting of the Board of Directors held in March 2024. The overview of the status of the operation of systems to ensure the appropriateness of the operations of the Company in FY2023 is as follows.

(1) Systems relating to compliance

- A. The Compliance Conference (Management Conference) enacted a Compliance Program for FY2023, and officers and employees strove to implement this program.
- B. In order to prevent the recurrence of problematic incidents and in order to prevent violation of laws, regulations, etc., the Compliance Conference (Management Conference), in principle, meets once every three months. Four meetings for discussion, etc. were held in FY2023.
- C. The Compliance Hotline, which is a system of whistleblowing from the Group's officers and employees, etc. to the compliance control division, etc. was operated appropriately, and the compliance control division responded promptly to make corrections and improvements when problematic incidents, etc. were reported.

(2) Risk management systems

- A. We strove for effective risk management based on risk management related regulations, such as the Basic Regulations on Risk Management enacted by the Board of Directors and various risk management basic regulations.
- B. The Board of Directors and the Management Conference received regular reports on levels of various types of risk and the status of their management and made necessary resolutions in a timely manner to appropriately manage various types of risk.
- C. By using the risk appetite framework as a method for clarifying and monitoring the types and amounts of risk to be accepted as part of promoting the Company's operations, giving consideration to the balance of revenue, risk, and capital, we worked to enhance governance related to overall risk management and to cultivate a risk culture.

(3) Systems relating to ensuring efficient execution of duties by Directors, and the storage and management of information

- A. The Board of Directors has established regulations relating to the operation of the Board of Directors and to the establishment and operation of the Management Conference and its decision-making authority. In addition, regulations related to the organization of the Company and the division of operational duties are determined by the Management Conference, etc.

B. The Board of Directors determined Group management policies and Group overall budgets under the Medium-Term Management Plan covering the three-year period from FY2022 to FY2024. In addition, the Board of Directors and the Management Conference managed the progress of business performance and other important matters, and engaged in management and control in light of policies on Group management policies and Group overall budgets, based on periodic reports from the responsible divisions, etc.

C The minutes of meetings of the Board of Directors, the Management Conference, etc. and other documents pertaining to the execution of duties by directors are appropriately stored and managed in accordance with relevant regulations.

(4) Systems related to ensuring appropriate financial reporting

Based on the Basic Regulations on Internal Controls for Financial Reporting enacted by the Board of Directors, the Risk Management Department, which is an independent evaluation department, periodically evaluates the effectiveness of internal controls on financial reporting and reports to the Board of Directors.

(5) Systems to ensure appropriate operations of the corporate group

A. In accordance with the Regulations on Group Management and Control enacted by the Board of Directors, the Board of Directors deliberated and decided on matters occurring in the Group companies that would have a significant impact across the Group as a whole, necessary matters for internal control, etc.

B. In principle, the ALM/Risk Management Conference met monthly to receive reports related to the results of operations at companies in the Group, the status of risk management, etc. and to deliberate on policies for risk management and other matters related to internal management systems. Moreover, the Group Sales Strategy Conference (Management Conference) met monthly (in principle) to receive reports related to the business performance of companies in the Group and the implementation status of various management targets and to formulate or deliberate, etc. future sales strategies.

C. The Audit Department conducted audits of all departments and operations of the Company, except the Audit & Supervisory Board Office, as well as of Group companies, and in principle reported the results to the group management audit conference, the Board of Directors, and the Audit & Supervisory Board Members once every three months.

(6) Systems relating to ensuring effective audits by Audit & Supervisory Board Members

A. The Company has established the Audit & Supervisory Board Office as an organization independent from executive departments, and has assigned dedicated employees to it to assist Audit & Supervisory Board Members and the Audit & Supervisory Board in accordance with directions from Audit & Supervisory Board Members.

B. The Company has taken steps to ensure thorough awareness of the fact that Company directors and their assistants and Group company directors, Audit & Supervisory Board Members, and their assistants are to make necessary reports directly or indirectly to the Company's Audit & Supervisory Board or its members.

C. Audit & Supervisory Board Members held periodic meetings with representative directors to confirm management policies and to exchange views regarding Group issues, etc. In addition, Audit & Supervisory Board Members gathered information from and exchanged views with officers of the Company and its subsidiaries, and the Accounting Auditors of the Company; etc. by holding periodic meetings with them and requesting reports and explanations as necessary, etc.

D. The Audit & Supervisory Board passed a resolution of agreement beforehand for the internal audit basic plan, etc. and appointment or dismissal of the General Manager of the Audit Department.

E. Audit & Supervisory Board Members received reports beforehand on human resource evaluations of the Audit Department General Manager and discussed the contents of these reports.

## 2. Basic Concepts on Eliminating Anti-Social Elements and Their State of Implementation

The Company is always aware of the importance of its public mission and social responsibility as a regional financial group, and the entire organization works to fulfill the basic principle of rejecting all transactions and other relationships with anti-social forces, including resolutely refusing to provide funds to any anti-social forces that threaten the public order or safety of civil society, and firmly eliminating any unjust demands or unjust intervention by anti-social forces.

Concretely, based on this basic principle, the Company has established its Basic Compliance Policy for the Group, Basic Policy on Anti-Social Forces, etc. from the perspective of preventing harm by anti-social forces and takes steps to ensure that all officers and employees are familiar with these policies, and also has established internal systems as follows.

(1) The Risk Management Department supervises the Group's handling related to anti-social forces.

(2) To counter any unjust demands, Group companies builds close cooperative relationships with external specialist institutions, including the police and the National Center for Removal of Criminal Organizations.

(3) Based on information accumulated thus far by the Group companies, information gathered from external specialist institutions, etc., the Company has created a database for information related to anti-social forces and works to keep it updated.

(4) The Company utilizes external seminars on specific approaches to rejecting relationships with anti-social forces and also provides internal training at the Group companies.

## 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

Not adopted

Supplementary Explanation

## 2. Other Matters Concerning the Corporate Governance System

[Overview of Timely Disclosure System]

<Disclosure Policy>

The Company shall establish the "Disclosure Policy" to prescribe the basic stance and the disclosure procedures, etc. pertaining to the disclosure of information on the contents of the management of the Company. The Company shall enhance the disclosure of information on the contents of the management of the Group through enactment of the Disclosure Policy so that stakeholders such as our depositors including all other customers, stockholders and regional communities are able to make the appropriate judgment on the execution of transactions with the Group and the decision on investment in shares of the Company, while increasing the transparency of the Group and aiming to be a financial group exercising the management that is trusted by our stakeholders.

The Disclosure Policy is posted on the Company's website.

(Disclosure Policy) <https://www.concordia-fg.jp/en/shareholder/disc/index.html>

<Internal System for Timely Disclosure>

The Corporate Planning Department is responsible for the timely disclosure of corporate information. Information is disclosed through the following system.

Information from the Group companies and responsible divisions is promptly compiled in the Corporate Planning Department.

The Corporate Planning Department determines the necessity of disclosure in accordance with timely disclosure rules.

If the Corporate Planning Department decides to disclose information, it consults the division responsible for the relevant matter, then prepares disclosure documents and promptly discloses the information.

Furthermore, in order to ensure the appropriateness of timely disclosure, the compliance department conducts verifications, and the internal audit department audits the status of the management and handling of information for timely disclosure.



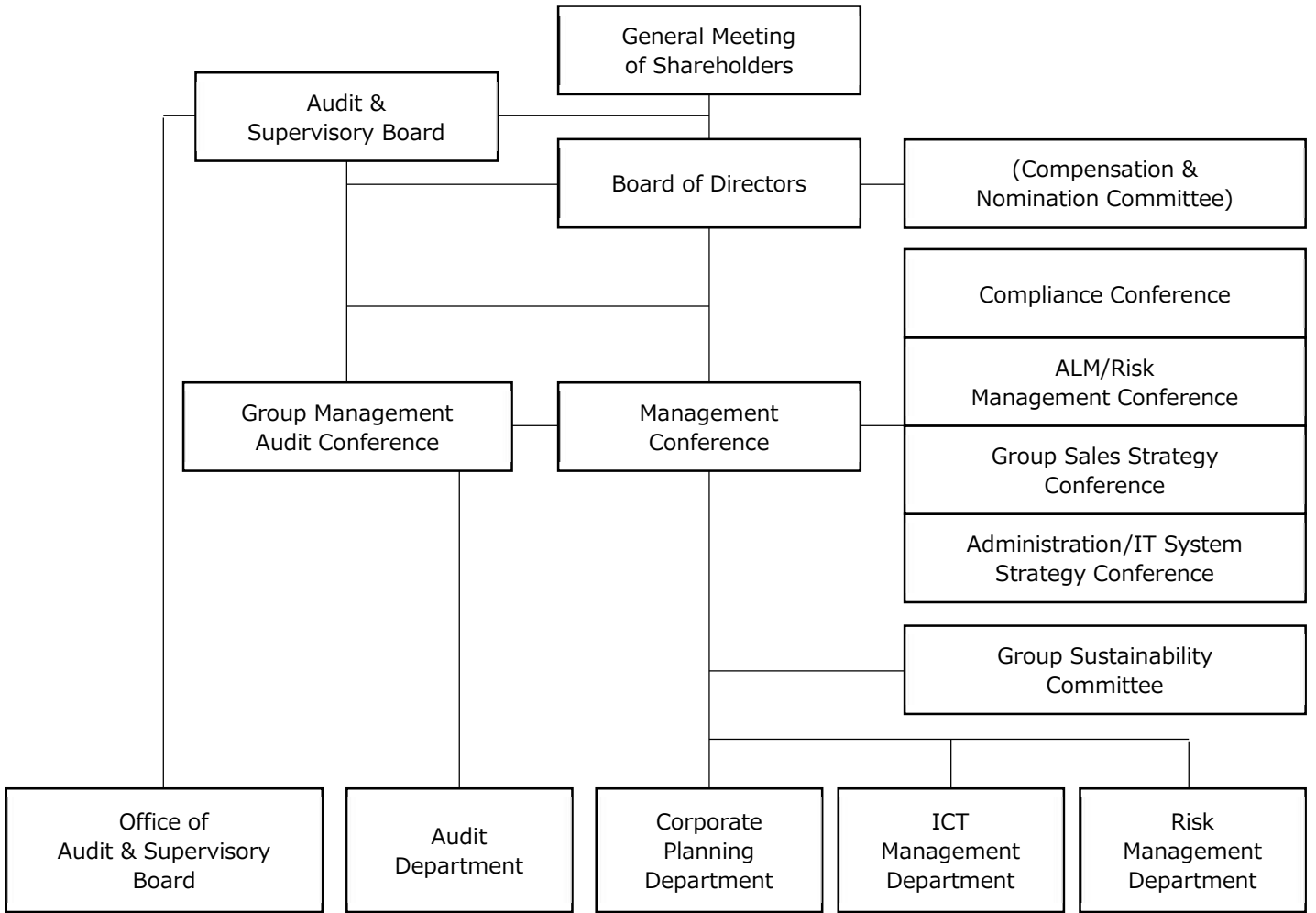
## &lt;ESG Assessment&gt;

Assessment Index	FTSE Overall ESG Score MSCI ESG Ratings
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## &lt;Non-Financial Indicators&gt;

Basic Themes	Bank of Yokohama Items	Higashi-Nippon Bank Items
Growth	Number of corporate partners Number of personal partners Number of companies for whom we are the main bank Number of personal customers for whom we are the main bank Number of proposals for overseas solutions	Number of core clients Number of companies for whom we are the main bank Number of clients evaluated for business feasibility Number of business matching contracts Number of new loan clients within 5 years of business establishment Number of business succession solutions provided Number of business improvement plans formulated IB set-up rate for clients under corporate management
Change	Percentage of employees with advanced skill levels Number of employees with major consulting qualifications Number of specialized headquarters personnel (IT/digital division) Number of specialized headquarters personnel (market/international division) Hours invested per person in human resources development Number of re-skilling places offered Percentage of female managers Percentage of mid-career hires in management positions Employee awareness survey results Number of users of next-generation smartphone applications Number of digital support implementation cases Percentage of strategic expenses among IT and digital expenses Percentage of transactions through non-face-to-face channels Number of sales branches and headquarters administrative personnel	Number of successful applicants for SME diagnostician (primary examination) Number of successful applicants for SME diagnostician (secondary examination) Number of successful applicants for FP Level 2 (SMEs) Number of successful applicants for IT Passport Training hours per employee Percentage of female managers Health management Number of offices Number of offices with business support offices Number of head office (management, etc.) personnel actually working
Sustainability	Number of sustainability-related solutions provided Percentage of reduction of the entire financial group's own CO <sub>2</sub> emissions Number of initiatives to solve local community issues Number of participants in financial education Number of measures to improve risk control Compliance awareness survey	Number of solutions provided to clients for SDGs feasibility evaluation Percentage of reduction of the Company's own CO <sub>2</sub> emissions Number of employees with business assessment qualifications Percentage of disclosed claims Internal rating system Compliance awareness survey Results of comprehensive internal audit evaluation Number of serious administrative errors

**[Corporate Governance Systems]**



**[Overview of Systems for Timely Disclosure]**

