

Last updated: June 30, 2025  
**OKASAN SECURITIES GROUP INC.**

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Stock code: 8609

<https://www.okasan.jp>

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

The status of the corporate governance of OKASAN SECURITIES GROUP INC. (hereinafter “the Company”) is as described below.

## I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributers, and Other Key Information

### 1. Basic Views

The Okasan Securities Group recognizes corporate governance to be a management topic of the utmost importance to its status as an organization trusted by society. The Group fulfills its fiduciary and accountability responsibilities to shareholders and seeks to build positive relationships with stakeholders by securing the rights and equality of shareholders and building appropriate business execution systems based on rapid and appropriate decision-making and oversight and monitoring systems.

We have established and published on our website our Corporate Governance Basic Policies that set forth our basic approach to corporate governance.

[https://www.okasan.jp/ir/governance/pdf/governance\\_p.pdf](https://www.okasan.jp/ir/governance/pdf/governance_p.pdf)

### 【Reasons for Non-compliance with the Principles of the Corporate Governance Code】

The Company is now implementing all the principles of the Corporate Governance Code.

### 【Disclosure Based on each Principle of the Corporate Governance】 Updated

We have established and published on our website our Corporate Governance Basic Policies that set forth our basic approach to corporate governance.

[https://www.okasan.jp/ir/governance/pdf/governance\\_p.pdf](https://www.okasan.jp/ir/governance/pdf/governance_p.pdf)

[Principle 1-4 Cross-Shareholdings]

See Article 7, “Policy on Cross-Shareholdings of Listed Shares,” and Annex 2, “Policy on Cross-Shareholdings of Listed Shares,” and Annex 3, “Standards for Exercise of Voting Rights on Cross-Shareholdings,” of the Corporate Governance Basic Policies.

[Principle 1-7 Related Party Transactions]

See Article 10, “Related Party Transactions,” and Annex 4, “Policy and Procedures for Related Party Transactions,” of the Corporate Governance Basic Policies.

[Supplementary Principle 2-4① Ensuring Diversity in Promotion to Core Human Resources]

See “III. Implementation of Measures for Shareholders and Other Stakeholders: 3. Measures to Ensure Due Respect for Stakeholders” of this Report.

[Principle 2-6 Roles of Corporate Pension Funds as Asset Owners]

To ensure that it can demonstrate its functions as a corporate pension asset owner, the Company assigns responsibility for asset management operations to human resources of sufficient competence and expertise. To fulfill its responsibilities as a trustee, it receives at regular intervals investment reports from and exchanges opinions with asset managers to confirm the propriety of its asset management.

[Principle 3-1 Full Disclosure]

(1) Company objectives (e.g., business principles), business strategies and business plans

See Article 12, “Management Philosophy,” of the Corporate Governance Basic Policies.

Please also refer to the Company website for business strategies and business plans.

<https://www.okasan.jp/group/plan.html>

(2) Basic views and guidelines on corporate governance

Basic views and guidelines on corporate governance are described in the Corporate Governance Basic Policies.

[https://www.okasan.jp/ir/governance/pdf/governance\\_p.pdf](https://www.okasan.jp/ir/governance/pdf/governance_p.pdf)

(3) Board policies and procedures in determining the remuneration of the senior management and directors

See “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight: 1. Organizational Composition and Operation: Director Remuneration: Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods” of this Report.

(4) Board policies and procedures on the appointment/dismissal of senior management and the nomination of director candidates

The Nomination and Compensation Committee selects candidates for appointment as directors based on standards that call for the appointment of individuals of outstanding character and high ethics who are able to demonstrate leadership to achieve Company goals and embody its management philosophy and who possess a wealth of experience and extensive insight regarding the securities business, management decision-making, and business administration. After consultation with the Board of Directors, candidates are chosen in General Meetings of Shareholders.

The Nomination and Compensation Committee selects candidates for appointment as Independent Outside Directors based on standards that call for

the appointment of individuals of outstanding character and high ethics who are capable of providing appropriate recommendations and advice regarding important management decisions based on specialized knowledge of finance, accounting, law, management, and other domains, are able to oversee the performance of the duties of directors fairly and appropriately, and satisfy the Company's Standards for Determining the Independence of Independent Outside Directors. After consultation with the Board of Directors, candidates are chosen in General Meetings of Shareholders. The Nomination and Compensation Committee is consulted regarding dismissals of senior management figures. Decisions are made by the Board of Directors with reference to the Committee's proposals. Decisions concerning the dismissal of directors are made by General Meetings of Shareholders after consultation with the Board of Directors, based on proposals from the Nomination and Compensation Committee.

(5) Explanations by the Board of Directors with respect to the appointment/dismissal of senior management and nomination of director candidates  
Reasons for the appointment of directors are as described in notices of convocation of General Meetings of Shareholders and this Report. As applicable, reasons for the dismissal of directors are described in notices of convocation of General Meetings.

[Supplementary Principle 3-1③ Initiatives on Sustainability]

<Initiatives on Sustainability>

Initiatives on sustainability are deliberated on regularly by the Sustainability Committee, chaired by the President, under a system in which subjects reviewed are reported to and discussed by the Board of Directors and the Management Conference as appropriate.

Our fundamental thinking and policy on sustainability, materiality topics (key issues), and initiatives are disclosed via the Integrated Report and the Company website.

([https://www.okasan.jp/sustainability/group\\_sustainability.html](https://www.okasan.jp/sustainability/group_sustainability.html))

<Investments in human capital and intellectual property>

Our human resources represent our most important management resource. Recognizing diverse human resources to be a source of vitality and growth, we offer diverse HR development programs and seek to improve the working environment through programs that support learning and other initiatives suited to individual careers. We also promote efforts to strengthen our ability to provide related information and use of technology. Group management strategies on matters including investment in human capital and intellectual property are disclosed through the Integrated Report, Medium-term Business Plan, and Company website.

<Disclosure based on TCFD recommendations>

We recognize the need to realize a sustainable society, including the need for measures to address climate change, as important management topics. We have declared our support for the Task Force on Climate Related Financial Disclosures (TCFD) and disclose information based on its recommendations.

(<https://www.okasan.jp/sustainability/environment/index.html>)

[Supplementary Principle 4-1① Scope of matters delegated to management]

The Company's Articles of Incorporation call for delegating some or all important decisions concerning business execution to the Board of Directors. In addition to matters provided for by laws, regulations, and the Articles of Incorporation, the Regulations of the Board of Directors call for the Board to make decisions on important business-related matters, such as fundamental management policies.

Matters related to business execution for which decisions are delegated to the President and other senior management are listed below.

- Acquisition, disposal, etc. of important property
- Important transactions with financial institutions and similar counterparties and long-term debts of 500 million yen or more per transaction
- Personnel matters related to general managers of divisions or offices and equivalent or above
- Establishment, modification, and abolition of branches and other business offices and important organizations
- Establishment, modification, and abolition of departments and groups
- Important matters related to offering of corporate bonds
- Establishment, amendment, and abolition of rules and regulations (excluding the Stock Handling Regulations and Regulations of the Board of Directors)
- Conclusion of important contracts (excluding those subject to decision by General Meetings of Shareholders or the Board of Directors under laws, regulations, or the Articles of Incorporation)
- Important acts of litigation
- Policies and plans related to hiring
- Fundamental matters related to employee salaries and benefits

[Principle 4-9 Independence Standards and Qualification for Independent Directors]

See Article 30, "Independence Criteria for Independent Outside Directors, etc.," and Annex 6, "Independence Criteria for Independent Outside Directors," of the Fundamental Policy on Corporate Governance.

[Supplementary Principle 4-10① Mandates, roles, etc. of the Nomination and Compensation Committee]

See "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight: 1. Organizational Composition and Operation: Voluntarily Established Committee(s): Supplementary Explanation" of this Report.

[Supplementary Principle 4-11① Thinking on the balance among knowledge, experience, and skills of the Board of Directors as a whole, diversity, and director skills and nominating procedures]

See Article 32, "Preconditions for Ensuring the Efficacy of the Board of Directors and Audit & Supervisory Committee," and Annex 7, "Thinking on the balance among knowledge, experience, and skills of the Board of Directors as a whole, diversity, and appropriate size and policies, procedures, etc. related to appointment of directors," of the Fundamental Policy on Corporate Governance.

The Company Board of Directors consists of internal directors with expertise related to the securities business and Outside Directors who possess diverse specialized abilities essential to corporate management. The Board is operated to ensure the diversity of memberships and an appropriate Board size.

Candidates for Director are nominated from among human resources who possess outstanding character and insights, regardless of personal attributes such as age, gender, career history, or nationality.

Candidates for appointment as internal directors are selected from among individuals of outstanding character and high ethics who are able to demonstrate leadership to achieve Company goals and embody its management philosophy and who possess a wealth of experience and extensive insight regarding the securities business, management decision-making, and business administration. Appointment decisions are made in consultation with the Board of Directors.

Candidates for appointment as Outside Directors/Audit & Supervisory Committee members are selected from among individuals of outstanding character and high ethics who are able to demonstrate leadership to provide appropriate recommendations and advice regarding important management decisions based on specialized knowledge of finance, accounting, the law, management, and other domains, are able to oversee the performance of the duties of directors fairly and appropriately, and satisfy the Company's Standards for Determining the Independence of Independent Outside Directors. Appointment decisions are made in consultation with the Board of Directors.

The Company has formulated a skills matrix describing the knowledge, experience, abilities, etc. of each Director as needed to achieve and realize Company management policies and the Medium-term Business Plan. This Directors skills matrix is disclosed in the reference materials for the General Meetings of Shareholders and in disclosure materials on the Company website (<https://www.okasan.jp>).

[Supplementary Principle 4-11② Concurrent posts of Directors]

Important concurrent posts of Directors are disclosed annually in the business report for convocation of General Meetings of Shareholders and other materials.

[Supplementary Principle 4-11③ Summary of results of analysis and evaluation of the effectiveness of the Board as a whole]  
The effectiveness of the Board of Directors as a whole is analyzed and evaluated annually, with reference to self-evaluation by Directors and other information. A summary of the results of analysis and evaluation is disclosed. See the Company website for the results (summary) of this year's analysis and evaluation of the effectiveness of the Board of Directors and efforts to make the Board even more effective.

([https://www.okasan.jp/ir/governance/pdf/board\\_effectiveness.pdf](https://www.okasan.jp/ir/governance/pdf/board_effectiveness.pdf))

[Supplementary Principle 4-14② Training policy for directors]

See Article 35, "Training for Directors and Audit & Supervisory Committee," of the Fundamental Policy on Corporate Governance.

[Principle 5-1 Policy for Constructive Dialogue with Shareholders]

See Article 37, "Policy for Constructive Dialogue with Shareholders," and Annex 8, "Policy on Systems and Initiatives to Encourage Constructive Dialogue with Shareholders," of the Fundamental Policy on Corporate Governance.

[Status of constructive dialogue with shareholders]

The Company strives to ensure constructive dialogue with shareholders that contributes to sustained growth and to medium- to long-term growth in corporate value. Staff in charge of IR and the Public and Investor Relations Department promote such dialogue in cooperation with related internal sections. Dialogue with shareholders and investors mainly concerns themes such as measures to enhance the business foundations, business opportunities, the progress of management plans, returns to shareholders, and human capital.

## 【Action to Implement Management that is Conscious of Cost of Capital and Stock Price】

Content of Disclosure <span>Updated</span>	Disclosure of Initiatives (Update)
Availability of English Disclosure <span>Updated</span>	Available
Date of Disclosure Update <span>Updated</span>	May 16, 2025

### Explanation for Applicable Items Updated

The Company formulates and publishes management plans that address various matters, including growth strategies, ROE targets, and measures to improve its evaluation by the markets, all based on analysis of current circumstances. See the Medium-term Business Plan for specifics.

<Medium-term Business Plan>

(<https://www.okasan.jp/group/plan.html>)

(English: <https://www.okasan.jp/english/group/policy.html#anc06>)

The progress of the Medium-term Business Plan is monitored. Matters such as the progress of management strategies and KPIs, including the status of various measures based on the Medium-term Business Plan, are announced in briefings on financial results and management strategy. Related materials are published on the website, and the progress of KPIs is reported in the materials for semiannual and annual briefings on financial results.

<Materials for briefings on financial results and management strategy>

([https://www.okasan.jp/ir/finance/statement\\_presentation.html](https://www.okasan.jp/ir/finance/statement_presentation.html))

(English: [https://www.okasan.jp/english/ir/finance/statement\\_presentation.html](https://www.okasan.jp/english/ir/finance/statement_presentation.html))

<Materials for briefings on financial results>

([https://www.okasan.jp/ir/finance/statement\\_description.html](https://www.okasan.jp/ir/finance/statement_description.html))

(English: [https://www.okasan.jp/english/ir/finance/statement\\_description.html](https://www.okasan.jp/english/ir/finance/statement_description.html))

## 2. Capital Structure

Foreign Shareholding Ratio <span>Updated</span>	Less than 10%
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### 【Status of Major Shareholders】 Updated

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	19,987,800	9.92
Nippon Life Insurance Company	9,732,498	4.83
The Norinchukin Bank	9,700,000	4.81
Sumitomo Mitsui Trust Bank, Ltd.	8,859,013	4.40
Daido Life Insurance Company	8,660,000	4.30
Mitsubishi UFJ Trust and Banking Corporation	5,822,000	2.89
Custody Bank of Japan, Ltd. (Trust Account)	5,572,000	2.76
Tosei	5,266,000	2.61
Santou	5,193,033	2.58
Resona Bank, Ltd.	4,937,000	2.45

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	—
Name of Parent Company, if applicable	None

(Supplementary explanation on the status of major shareholders)

The status of major shareholders as above described was updated as of March 31, 2025. The shareholding ratio described above does not include 29,661,406 shares of treasury shares the Company holds.

### 3. Corporate Attributes

Listed Stock Exchange and Market Segment	The Prime Market of Tokyo Stock Exchange and Premier Market of Nagoya Stock Exchange
Fiscal Year-End	March
Business Sector	Securities & Commodity Futures
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥10 billion or more but less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

### 5. Other Special Circumstances which may have a Material Impact on Corporate Governance

No particular matters to be described.

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

### 1. Organizational Composition and Operation

Corporate Governance System	Company with Audit & Supervisory Committee
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#### 【Directors】

Number of Directors Stipulated in Articles of Incorporation	16
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors <span>Updated</span>	7
Election of Outside Directors	Elected
Number of Outside Directors <span>Updated</span>	4
Number of Independent directors <span>Updated</span>	4

#### Outside Director's Relationship with the Company (1) Updated

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
YOSHIDA Shinichi	From another company											
KIMURA Yoshifumi	From another company											
SATO Shinichi	From another company											
OKANO Sadahiko	Other											

\* Categories for "Relationship with the Company"

\* "○" when the Director presently falls or recently fell under the category; "△" when the Director fell under the category in the past

\* "●" when a close relative of the Director presently falls or recently fell under the category; "▲" when a close relative of the Director fell under the category in the past

a Executive of the Listed Company or its subsidiary

b Executive or Non-Executive Director of the parent company of the Listed Company

c Executive of a fellow subsidiary of the Listed Company

d A legal or natural person whose major business partner is the Listed Company or an Executive of such a legal person

e Major business partner of the Listed Company or an Executive of such major business partner

f A consultant, accountant or legal expert receiving a large amount of compensation or other assets from the Listed Company, excluding director/officer compensation

g Major shareholder of the Listed Company (if such major shareholder is a legal entity, an Executive of such legal entity)

h Executive of a business partner of the Company (which does not fall under (d), (e) or (f) above) (applicable to the Director only)

i Executive of a company where there is a relationship of an Outside Director being mutually appointed (applicable to the Director only)

j Executive of an institution receiving a donation from the Listed Company (applicable to the Director only)

k Other

#### Outside Directors' Relationship with the Company (2) Updated

Name	Membership of Audit & Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
YOSHIDA Shinichi	○	○	—	Based on his extensive experience in media organizations as well as his deep insight in the field of corporate management, the Company believes that he is capable of executing the duties of an Outside Director appropriately. The Company believes that he can maintain impartial and fair judgment as he has no special interest in the Company. Mr. Yoshida has no particular conflict of interest with general shareholders and has been designated as an Independent Director.

KIMURA Yoshifumi	○	○	—	Based on his professional viewpoint in the field of corporate legal affairs as well as deep insight in the field of corporate management and financial affairs & accounting, the Company believes that he is capable of executing the duties of an Outside Director appropriately. The Company believes that he can maintain impartial and fair judgment as he has no special interest in the Company. Mr. Kimura has no particular conflict of interest with general shareholders and has been designated as an Independent Director.
SATO Shinichi	○	○	—	Based on his professional viewpoint in the field of financial affairs and accounting as well as deep insight in the field of economics, finance and risk management, the Company believes that he is capable of executing the duties of an Outside Director appropriately. The Company believes that he can maintain impartial and fair judgment as he has no special interest in the Company. Mr. Sato has no particular conflict of interest with general shareholders and has been designated as an Independent Director.
OKANO Sadahiko	○	○	—	Based on his wide-ranging insight in corporate management and risk management gained through his experience in management of economic organizations and from a multifaceted perspective that leverages his network of contacts in various fields, the Company believes that he is capable of executing the duties of an Outside Director appropriately. The Company believes that he can maintain impartial and fair judgment as he has no special interest in the Company. Mr. Okano has no particular conflict of interest with general shareholders and has been designated as an Independent Director.

## 【Audit & Supervisory Committee】

Composition of Audit & Supervisory Committee and Attributes of the Chairperson Updated

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	5	1	1	4	Outside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee

Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

To support the duties of the Audit & Supervisory Committee, the Company has established the Audit & Supervisory Committee Office with one or more members retaining the post.  
Personnel transfer, performance evaluation, and any disciplinary action regarding members who serve to assist the Audit & Supervisory Committee, are decided by consultation among the Audit & Supervisory Committee. In addition, the said assistant members are appointed as full-time members, and are to follow the directions of the Audit & Supervisory Committee.

Cooperation among the Supervisory Committee, Accounting Auditors and Internal Audit Department

Cooperation among the Audit & Supervisory Committee, accounting auditors, and the Group Internal Audit Division (the internal audit department) is conducted through the exchange of opinions on various matters, including whether any issues have been identified in auditing, future topics, and the accounting auditors' audit structure, in regular meetings with the accounting auditors and tripartite audit council meetings.  
Cooperation between the Audit & Supervisory Committee and the internal audit department is conducted through sharing of information and exchange of opinions in reporting meetings held after the internal audit is complete, in addition to regular reports to the Audit & Supervisory Committee from the Group Internal Audit Division. These are intended to make internal controls more effective.  
Joint efforts between the Audit & Supervisory Committee and accounting auditors proceed through the regular receipt of reports to the Audit & Supervisory Committee and the sharing of information and exchange of opinions on various matters, including whether any issues have been identified in auditing, future topics, and explanation of the accounting auditors' audit structure. These are intended to make audits more effective and efficient.

## 【Voluntary Established Committee(s)】

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee

Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson Updated

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Compensation Committee	3	0	1	2	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Compensation Committee	3	0	1	2	0	0	Outside Director

#### Supplementary Explanation

[Supplementary Principle 4-10-1 Mandates, roles, etc. of the Nomination and Compensation Committee]

The Company has established the Nomination and Compensation Committee as a voluntary committee intended to increase the propriety, fairness, transparency, and objectivity of procedures related to the nomination and remuneration of officers and executive officers. Membership of the Nomination and Compensation Committee consists of Directors, including Audit & Supervisory Committee members (with a majority of members being Outside Directors). The Committee deliberates on various matters, including proposals to General Meetings of Shareholders on appointment or dismissal of Directors and remuneration policies and amounts. The HR Strategy Department serves as the secretariat to the Committee.

### 【Independent Directors】

Number of Independent Directors	Updated	4
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#### Other Matters Concerning Independent Directors

The Company has designated all qualifying Outside Directors as Independent Directors.

### 【Incentives】

Implementation of Initiatives to offer Incentives to Directors	Introduction of Performance-Based Remuneration system and others
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#### Supplementary Explanation for Applicable Items

Compensation of Directors (excluding Directors/Audit and Supervisory Committee Members) is divided into basic compensation and performance-linked compensation as short-term incentives, and restricted stock compensation as mid- to long-term incentives. The Nomination and Compensation Committee discusses and determines on the above once a year, in accordance with the previous fiscal year's performance.

Persons Eligible for Stock Options	
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#### Supplementary Explanation for Applicable Items

### 【Director Remuneration】

Status of Disclosure of Individual Director's Remuneration	Updated	Disclosed in part
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#### Supplementary Explanation for Applicable Items Updated

For the Fiscal Year Ended March 2025, amounts paid as compensation for Directors totaled 175 million yen (including 24 million yen for Outside Directors). Information concerning compensation for Directors and Executive Officers is disclosed in the Yukashoken-Houkokusho, Jigyō-Houkoku, and other documents – these documents can be accessed on the Company's website (<https://www.okasan.jp>). Individual compensation of certain Directors is disclosed in the Yukashoken-Houkokusho in accordance with the law.



## Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

## 1. Policy on determining individual Director remuneration and calculation methods

- (1) The structure of remuneration for Company Directors (excluding Audit & Supervisory Committee members) is intended to contribute to short-, medium-, and long-term growth in business results and corporate value by realizing the steady, continuous growth of the Group as a whole.
- (2) Decisions are made on proposals for officer remuneration based on deliberations by the Nomination and Compensation Committee, to ascertain appropriately the management roles and achievements of Company Directors (excluding Audit & Supervisory Committee members) and evaluate them fairly and objectively.
- (3) The Nomination and Compensation Committee continually reviews policies on deciding on officer remuneration and remuneration levels and composition using external surveys, from a remuneration governance perspective.

## 2. Officer remuneration decision-making process

The Company has established the Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors to make fair and impartial decisions concerning various matters, including remuneration (base remuneration, performance-linked remuneration, and restricted share-based remuneration) of Directors (excluding Audit & Supervisory Committee members).

The Nomination and Compensation Committee is chaired by an Outside Director who is an Audit & Supervisory Committee member. The Committee membership consists of three persons: two Outside Directors who are Audit & Supervisory Committee members and the President. It makes decisions concerning the details of proposals for levels of overall and individual remuneration based on deliberations on the validity of the remuneration calculation process and whether such calculations comply with the specified process. The suitability of payment levels of officer remuneration is determined using information such as surveys by outside agencies.

Remuneration for each Director is proposed for decision by the Board of Directors based on deliberations by the Nomination and Compensation Committee. Decisions on whether to accept proposals from the Nomination and Compensation Committee are left to the discretion of President SHINSHIBA Hiroyuki, as the final evaluator of officers' performance, who is tasked with verifying that officer remuneration is consistent with business results. President SHINSHIBA Hiroyuki makes the final decision on whether to accept the proposal from the Nomination and Compensation Committee. The schedule for decisions concerning remuneration is as follows. As instructed by the President, in April the previous fiscal year's business results are reviewed and officer evaluation is conducted. The Nomination and Compensation Committee formulates individual remuneration proposals based on the details of this review and evaluation, and a decision is made in the General Meeting of Shareholders in June. Remuneration decided through this process applies from July of that year through June of the following year. Based on an activities report and description of the remuneration calculation process through the decision on officer remuneration from the Nomination and Compensation Committee, the Board of Directors confirmed that the details of individual remuneration for the current business year complied with this policy.

## 3. Officer remuneration amounts

Officer remuneration amounts are determined within the range of the following remuneration limits decided by the General Meeting of Shareholders.

## (1) Directors (excluding Audit &amp; Supervisory Committee members)

## • Monetary remuneration

Up to 720 million yen per year (excluding salaries of Directors serving concurrently as employees)  
(resolution of 77th General Meeting of Shareholders, held June 26, 2015)

## • Non-monetary remuneration (share-based remuneration)

Up to 140 million yen per year of the above monetary remuneration limit  
(resolution of 84th General Meeting of Shareholders, held June 29, 2022)

## (2) Directors who are Audit &amp; Supervisory Committee members

## • Monetary remuneration

Up to 72 million yen per year  
(resolution of 77th General Meeting of Shareholders, held June 26, 2015)

## 4. Method of calculating officer remuneration

Remuneration of Directors (excluding Audit & Supervisory Committee members) consists of base remuneration fixed by post, performance-linked remuneration, and restricted share-based remuneration. Percentages of performance-linked remuneration and restricted share-based remuneration, which serve as incentives, increase as the post held becomes higher.

Total remuneration for those in the positions of Chairperson, Deputy Chairperson, and President of the Okasan Securities Group are determined in accordance with evaluation of medium- to long-term business conditions. Their remuneration may fluctuate more than for others in accordance with business results.

	Base remuneration	Short-term incentives	Medium- to long-term incentives
Form of payment	Monetary remuneration	Monetary remuneration	Non-monetary remuneration
Percentages	Base remuneration Approx. 30–45%	Performance-linked remuneration Approx. 30–45%	Restricted share-based remuneration Approx. 15–30%
Frequency of payment	Revised once/year Fixed monthly amount, paid monthly	Revised once/year Fixed monthly amount, paid monthly	Paid annually in July

Note: The above percentages of the components of remuneration are for base models. They may vary depending on various factors, including posts held by each Director, Company business performance and individual evaluations.

Remuneration of Directors who are Audit & Supervisory Committee members consists of fixed remuneration only, reflecting consideration for the roles and independence of each Director. Appropriate fixed remuneration commensurate with their duties as Directors who are Audit & Supervisory Committee members is determined by the Audit & Supervisory Committee within the extent of remuneration limits based on General Meeting of Shareholders resolutions, with consideration for individual roles and other factors.

## 5. Method of calculating payment amounts of base remuneration

While base remuneration is determined based on the post held so that payment levels correspond to the scope and level of duties performed, it is subject to possible increase or decrease within a certain extent even within the same post.

## 6. Method of calculating payment amounts of performance-based remuneration



The Okasan Securities Group's consolidated operating revenue and consolidated ordinary profit are used as indicators for evaluating the results of management by Company directors, with the goal of achieving the core management targets of the qualitative and quantitative targets set in the Medium-term Business Plan and as KPIs of the comprehensive ability of the Group as a whole reflecting a shared understanding of profit with Group companies' stakeholders. In calculating payment amounts of performance-based remuneration, total amounts of performance-based remuneration are determined with reference to the Okasan Securities Group's consolidated operating revenue and consolidated ordinary profit, and total annual remuneration for each individual is calculated based on job posts and individual evaluation. Company performance in the fiscal year ended March 2024, the indicators for performance-based remuneration paid in the fiscal year ended March 2025, were consolidated operating revenue of 84.509 billion yen and consolidated ordinary profit of 18.061 billion yen.

7. Method of calculating payment amounts of restricted share-based remuneration

Payment amounts of restricted share-based remuneration are determined based on job posts, in accordance with the scope and level of assigned duties. The number of shares awarded is calculated by dividing the amount for each post by the share price (closing price on the business day immediately preceding the Board of Directors meeting in which the resolution on payment was passed). Transfer of shares is restricted until the recipient resigns as a Director.

## **【Support System for Outside Directors】** Updated

Each of the four Outside Directors is an Audit & Supervisory Committee member. The Audit & Supervisory Committee Office has been established to support their activities.

Sufficient information is provided to Outside Directors through reports on matters deliberated on and reported within the Management Conference.

## **2. Matters Concerning Functions of Business Execution, Audits and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)** Updated

Within the business execution structure, the Board of Directors, as the supreme management decision-making body, makes decisions concerning matters as provided for in laws and regulations and the Articles of Incorporation and drafts and supervises Group management strategies. The President executes decisions of the Board of Directors and supervises overall management. The Board of Directors consists of seven directors (including five directors who are Audit and Supervisory Committee Members), which enables it to make decisions quickly.

A Management Conference has also been established. To enhance Group business administration, the Board of Directors' roles of management decision-making and oversight and the Management Conference's roles of business execution are defined clearly. The Management Conference formulates practical policies and plans for business execution based on basic management policies decided on by the Board and deliberates on other important matters related to management.

The Company has established the Nomination and Compensation Committee as a voluntary committee intended to increase the propriety, fairness, transparency, and objectivity of procedures related to the nomination and remuneration of officers and executive officers. Membership of the Nomination and Compensation Committee consists of Directors, including Audit & Supervisory Committee members (with a majority of members being Outside Directors). The Committee deliberates on various matters, including proposals to General Meetings of Shareholders on appointment or dismissal of Directors and remuneration policies and amounts.

The management monitoring structure is composed of five Audit and Supervisory Committee members (including one statutory auditor), four of whom are outside directors. They comprise the Audit and Supervisory Committee and decide on auditing policies in accordance with laws and regulations and the company's articles of incorporation, based on the Regulations of the Audit & Supervisory Committee. They also draft audit opinions of the Audit and Supervisory Committee. Through these and other activities, including attendance at meetings of the Board of Directors and other important meetings, interviews with Directors (excluding Audit & Supervisory Committee members), and reviews of important approval-related documents, they oversee the process of decision-making by the Board of Directors and the status of business execution by directors. They also work with accounting auditors and the sections in charge of internal auditing to help ensure effective, appropriate audits. Contracts are concluded with the Audit and Supervisory Committee members under Article 427, Paragraph 1 of the Companies Act of Japan limiting their liability for damages under Article 423, Paragraph 1 of that act. The amount of the limit on liability under these agreements is the minimum amount stipulated in laws and regulations.

To contribute to appropriate business operations through means including mitigating and preventing management risks, the internal auditing structure includes the in-house Group Internal Audit Department, with a staff of ten. The Group Internal Audit Department prepares annual audit plans and implements periodic on-site audits based on these plans. It also conducts paper audits as needed. Audit results are reported regularly to the Board of Directors and the Audit and Supervisory Committee.

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

The Company has adopted the system of a company with an Audit & Supervisory Committee. This is intended to enhance audits and oversight functions while making decision-making more transparent through the participation in management of Outside Directors.

### III. Implementation of Measures for Shareholders and Other Stake holders

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

	Supplementary Explanations
Early Notification of Convocation of General Shareholder Meeting	The Notice of Convocation of the General Meeting of Shareholders are sent at the earliest possible time without waiting until the legally required date. The Notice of Convocation is posted on the Company's website four weeks prior to the day of the General Meeting of Shareholders. ( <a href="https://www.okasan.jp/english/ir/stockholder/general_meeting/">https://www.okasan.jp/english/ir/stockholder/general_meeting/</a> )
Exercise of voting rights by electronic means	The Company has adopted an electronic method to facilitate the exercise of voting rights using a computer or smartphone/cellphone.
Participation in Electronic Voting Platform and other measures to enhance the environment for Institutional Investors to exercise voting rights	The Company has participated in the Electronic Voting Platform managed by ICJ Corporation.
Providing Convocation Notice in English (Summary)	The Company has created the Notice of Convocation of General Shareholders Meeting in English and has simultaneously posted alongside the Japanese original on the Company website and the Electronic Voting Platform managed by ICJ Corporation.

#### 2. Investor Relations (IR) Activities

	Supplementary Explanations	Presentation by the Representative
Regular Investment Briefings for Analysts and Institutional Investors	In addition to business briefings held for analysts and institutional investors, the Company carries out individual interviews upon request.	Yes
Disclosing IR materials on the company website	On the Company's website ( <a href="https://www.okasan.jp">https://www.okasan.jp</a> ), the Company posts company overview, summary of financial results, financial explanatory notes, annual securities report, integrated report, annual report (English), news releases, corporate governance report, and other materials.	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company has established the "Public and Investor Relations Dept." as a specialized department of IR.	

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

	Supplementary Explanations
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	Annex 5 to the Fundamental Policy on Corporate Governance describes the code of conduct for all members of the organization, and sets forth Company values regarding matters such as appropriate cooperation with and respect for the interests of stakeholders and sound business ethics. Regularly or as needed, the Board of Directors reviews whether the code of conduct is implemented widely across the organization. Please refer to the Company website for details of the code of conduct. ( <a href="https://www.okasan.jp/ir/governance/pdf/governance_p.pdf">https://www.okasan.jp/ir/governance/pdf/governance_p.pdf</a> )

Implementation of Environmental Activities, CSR Activities, etc.

The Company strives to become a corporate group that is truly trusted by customers, employees, and stakeholders alike, and has been taking action to resolve social issues to ensure a prosperous future and its sustainable growth.

As part of the Company's efforts to address environmental issues, data on the Task Force on Climate-related Financial Disclosure (TCFD) recommendations are effectively disclosed, and measures to achieve net-zero greenhouse gas (GHG) emissions are being implemented. These measures include the establishment of the "Net-Zero GHG Emissions Statement" and the efforts taken to reduce the Company's own GHG emissions accordingly, as well as implementing business activities that support the transition towards a decarbonized society. For more details, please refer to our website: (<https://www.okasan.jp/sustainability/environment/>)

Business activities initiatives include the selling of SDGs bonds (Green bonds, Social bonds, Peacebuilding bonds, etc.), issued to resolve social problems such as climate change, environmental pollution, and poverty, as well as donations towards welfare and medical charities using a portion of the Company revenue, gained through investment trust fees. For more details, please refer to our website: (<https://www.okasan.jp/sustainability/business.html>)

In terms of social action programs, the Company offers donations and support science education for elementary school students by exhibiting educational programs at the planetarium built by the Company. For more details, please refer to our website: (<https://www.okasan.jp/sustainability/society/>)

Other

[Supplementary Principle 2-4① Ensuring Diversity]

(1) Thinking on ensuring diversity

The Company manages hiring, evaluation, treatment, and other systems appropriately to ensure that its organization is accepting of diversity, including nationality, ethnicity, gender, age, disability status, sexual identity, sexual orientation, creed, religion, and social status, and that its diverse human resources can demonstrate their own individuality and abilities in an atmosphere that is free of discrimination. To promote its continuous growth, the Company also advances measures to secure capable human resources with respect for diversity, based on various career backgrounds, and promote them to posts in which they can play active leadership roles as core human resources.

In line with this approach, in August 2021 the Company established diversity KPIs, enhanced various HR and training systems, and began promoting new measures to foster an environment and a culture in which human resources can thrive regardless of gender.

Currently, midcareer hires account for about 40% of those in managerial posts (as of June 2025) and more than 50% of those in core managerial posts (as of June 2025) at the core subsidiary Okasan Securities Co., Ltd. These figures can be considered to demonstrate that diverse core human resources are working in an environment in which a diverse range of opinions can be expressed. Accordingly, while it has not set specific targets, the Group pays close attention to ensuring that the percentage of midcareer hires will not drop sharply to secure competitive advantage through the activities of diverse human resources. Meanwhile, it will also consider setting goals related to midcareer hires and their promotion to managerial posts, as necessary.

The Company has not set any specific targets regarding non-Japanese personnel, in light of considerations such as the fact that its major clients are Japanese investors and its business domains are centered on the Japanese market. However, it will consider setting targets related to the hiring of non-Japanese personnel and their promotion to managerial posts as necessary while paying close attention to the growth of and trends in overseas business, which is expected to grow in the future.

(2) Policies for human resource development and internal environment development to ensure diversity

The Company strives to develop its human resources in light of the fact that high levels of knowledge and specialization as well as ethics are essential to its employees as financial professionals who will continue to provide high added value to clients.

To enhance the abilities of each and every employee, a wide range of education and training programs have been introduced in cooperation with Group companies, centered on the core subsidiary Okasan Securities Co., Ltd.

In April 2025, we introduced a new personnel system and updated the HR development structure. This new structure is intended to help employees not only to improve the skills they need in business execution but also to improve the skills needed to realize their personal career visions. Based in the HR development policy and the new HR development system, in addition to training on shared skills and fundamentals, training to develop autonomous abilities, and measures to improve management abilities, efforts are underway in areas such as support for autonomous growth.

Please refer to the Company website for details of human resource development and internal environment development to ensure diversity.

(<https://www.okasan.jp/sustainability/>)

## IV. Matters Concerning the Internal Control System

### 1. Basic Views on Internal Control System and Status of Development

Our basic views on the internal control system and the status of its development are reviewed below.

#### Fundamental Policy on the Internal Control System

Pursuant to the Companies Act and the enforcement regulations thereto, we have established the following systems (hereinafter “internal controls”) to ensure the propriety of Company business operations.

1. System for ensuring that Company Directors and employees and the Directors and other officers and employees of Company subsidiaries carry out their duties in compliance with laws and regulations and the articles of incorporation  
In the event that a section in charge of internal auditing at the Company or a Company subsidiary has identified a suspected violation of laws, regulations, or the articles of incorporation, misconduct, etc., the section shall report the matter to the President and recommend that appropriate action be taken as necessary following deliberations by the Board of Directors.  
Sections in charge of internal auditing are responsible for establishing rules and procedures necessary for internal audits and related matters at the Company and at Company subsidiaries.  
The Company has maintained a resolute stance on countering anti-social forces and groups that threaten order and safety of society. It has established internal systems to eliminate any and all transaction relationships and refrain from any and all other interaction with anti-social forces and groups.
2. System for retaining and managing information related to the execution of duties by Company directors  
The Company stipulates retention periods and the sections in charge of retention for each type of document (or electromagnetic media) and makes them available for viewing as requested by Directors in accordance with the Regulations Governing the Handling of Documentation.  
The regulations stipulate clearly that documents may be viewed upon request by Directors.
3. Rules and other systems for managing risks of loss to the Company and its subsidiaries  
The Company has established rules for managing risks of loss. These rules assign sections responsible for each risk category. A risk management system has been established accordingly. The Group CRO is responsible for taking appropriate action to build appropriate risk management systems related to business operations and for reporting on the results to the Company’s Board of Directors.  
The Group CRO is tasked with auditing the status of risk management at Company subsidiaries and reporting periodically to the Company Board of Directors.
4. System for ensuring that Company Directors and the Directors and other officers of Company subsidiaries discharge their duties effectively  
Executives in charge of business execution at the Company and its subsidiaries decide on efficient methods for achieving the policies specified in the Company’s Medium-term Business Plan. The Company Board of Directors receives regular reports on the financial standing and business results of the Company and its subsidiaries. Depending on the situation, plans may be revised on a half-year basis in addition to promoting improvement measures as needed to achieve targets.
5. System for reporting to the Company on matters related to the execution of duties by Directors and other officers of Company subsidiaries and other systems for ensuring proper business operations in the Group consisting of the Company and its subsidiaries  
The sections in charge of business management at Company subsidiaries implement measures to make internal controls more effective and provide guidance and support to subsidiaries, as necessary.  
Group company management regulations have been established that require subsidiaries to report to the Company regularly on the status of their profits and assets and other important information. The approval of, or reporting to, the Company Board of Directors and Management Conference is required for some matters related to Company subsidiaries. General meetings and meetings of the Management Conference are held to disseminate information on policies related to Group management and share information on important matters.
6. Matters concerning employees who assist in the duties of the Company Audit & Supervisory Committee  
The Company has established an Audit & Supervisory Committee Office staffed by one or more full-time employees charged to assist with audit duties.  
The Audit & Supervisory Committee shall be consulted prior to any personnel transfers, personnel evaluations, or disciplinary action concerning employees who assist in the Committee’s duties.  
Employees who assist in the duties of the Audit & Supervisory Committee shall not work concurrently as employees of other sections and shall follow the instructions and orders of the Audit & Supervisory Committee.
7. System for reporting to the Company’s Audit & Supervisory Committee  
The Company has established a system whereby officers and employees of the Company and its subsidiaries promptly report to the Audit & Supervisory Committee on matters as provided in laws and regulations and on the following matters that may materially affect the Company and its subsidiaries:  
(1) Matters posing the risk of serious harm to the Company and/or its subsidiaries  
(2) Important matters related to the status of the implementation of internal audits and risk management  
(3) Other important compliance-related matters  
Officers and employees of the Company and its subsidiaries who have made reports to the Company Audit & Supervisory Committee shall not be subjected to disadvantageous treatment in connection with such reports.
8. Other systems for ensuring the efficacy of audits and other activities by the Company Audit & Supervisory Committee  
Members of the Audit & Supervisory Committee shall attend meetings of other important bodies in addition to that of the Board of Directors or review minutes of such meetings and similar materials to monitor important decision-making processes and the status of business execution. As necessary, they shall request explanations from Directors who are not Audit & Supervisory Committee members or from employees.  
In addition, opportunities shall be provided at least once a year to conduct individual interviews with Directors who are not Audit & Supervisory Committee members and with executive officers and key employees. Discussions with the President and the audit firm shall occur at regular intervals.  
Further, regular meetings of the Board of Group Auditors and Large Company Auditors’ Liaison Meetings shall be held to strengthen audits at Company subsidiaries through the exchange of information, seminars, and other audit-related activities.  
Should Audit & Supervisory Committee members ask the Company to advance expenses or other costs incurred in the performance of their duties pursuant to Article 399-2, Paragraph 4 of the Companies Act, the Company shall consult with the section in charge and promptly process such expenses or obligations, unless they are deemed not necessary to the performance of the Audit & Supervisory Committee members’ duties.

## 2. Basic Views on Measures for Eliminating Association with Anti-Social Forces and Status of Development

The Company has adopted a resolute stance on countering anti-social forces and groups that threaten social order and safety. It has established internal systems to eradicate transaction relationships with anti-social forces and groups and to eliminate all interactions with such forces or groups.

The Group's core company Okasan Securities Co., Ltd. has established and published its Basic Policy on Eliminating Anti-Social Forces, as described below.

Other Group companies have established similar policies and adopted resolute stances against anti-social forces.

Okasan Securities Co., Ltd. Basic Policy on Eliminating Anti-Social Forces (established July 2010)

The Company declares the following policy concerning anti-social forces, whether groups or individuals, that resort to violence, intimidation, or fraud in pursuit of economic gains.

1. In addition to responding organization-wide to anti-social forces, we will secure the safety of employees who respond to such forces.
2. We will maintain close cooperative relationships with law enforcement, the Anti-Organized Crime Campaign Center, attorneys, the Japan Securities Dealers Association, and other outside experts.
3. We will refuse any and all ties to anti-social forces, including transaction relationships. We will reject any improper demands made by anti-social forces.
4. We will take all necessary action, civil and criminal, in response to any improper demands made by anti-social forces.
5. We will refuse all engagement with, including secretive agreements with or provision of funds to, anti-social forces.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

Not Adopted

Supplementary Explanation for Applicable Items

Updated

The Company believes that the final decision on whether to accept or reject a proposed acquisition of large numbers of shares of Company stock by a third party should be left to shareholders at the time of such bid. However, acquisition of large numbers of shares of Company stock without the prior consent of the Board of Directors would clearly be counter to corporate value and to the shared interests of shareholders, or may compel shareholders to sell their shares, with potential negative effects on corporate value and, by extension, on the shared interests of our shareholders. Accordingly, pursuant to the Financial Instruments and Exchange Act, the Companies Act, and other applicable laws and regulations, the Company will take appropriate measures with regard to any party attempting to acquire large numbers of shares of Company stock. These measures include demanding the provision of necessary and sufficient information for shareholders to properly assess the appropriacy of any takeover bid, announcing the opinion of the Board of Directors after forming an independent committee of independent members and giving full weight to its opinion, and ensuring that shareholders have sufficient time and information to consider the proposal. We will also strive to achieve stable and sustained growth in our corporate value and to further the shared interests of our shareholders by formulating and steadily implementing a medium-term management plan for Company growth.

### 2. Other Matters Concerning the Corporate Governance System

The Company's system pertaining to timely disclosure of information

#### 1. Internal system pertaining to timely disclosure of information

The Company classifies information relating to the Company and Group companies into the following categories: facts concerning decisions, financial information, and facts concerning occurrences. The Company is committed to prompt, precise, and fair disclosure of corporate information at all times based on the perspectives of investors. The internal Disclosure Committee has been established to gather to a central location important information concerning the Company and Group companies and to contribute to the appropriate disclosure of corporate information.

Meetings of this committee chaired by the Chief Information Officer are convened when needed. Pursuant to the Disclosure Committee Rules, the committee investigates the need for the timely disclosure of corporate information as well as the content, timing, and means of such disclosure when timely disclosure is deemed necessary.

#### 2. Means of timely disclosure of corporate information

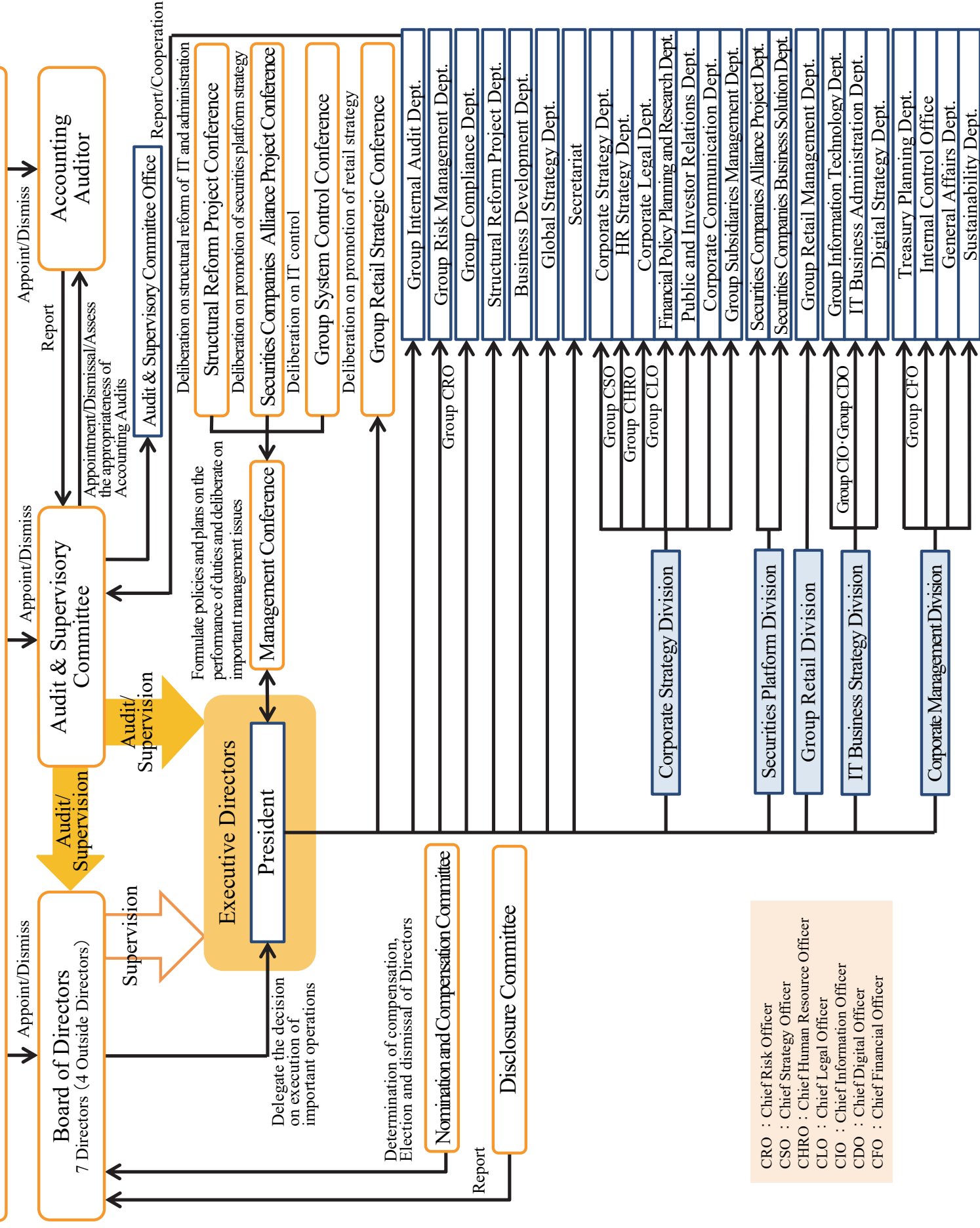
Once the Disclosure Committee has made a decision, the requisite corporate information is promptly disclosed in line with disclosure benchmarks.

In accordance with the securities listing regulations specified by the financial instruments exchange, information is disclosed through the Timely Disclosure Network (TDnet), a system for the timely disclosure of information, and to media outlets simultaneously. The information also is posted to the Company website promptly after its disclosure through TDnet.

#### 3. Organizational chart for timely disclosure of corporate information

Please see attached.

# General Meeting of Shareholders



CRO : Chief Risk Officer  
 CSO : Chief Strategy Officer  
 CHRO : Chief Human Resource Officer  
 CLO : Chief Legal Officer  
 CIO : Chief Information Officer  
 CDO : Chief Digital Officer  
 CFO : Chief Financial Officer



# Organizational chart of timely disclosure

