

Corporate Governance Report

CORPORATE GOVERNANCE

Kintetsu Group Holdings Co., Ltd.

Last Updated: June 23, 2025

Kintetsu Group Holdings Co., Ltd.

Takashi Wakai

Representative Director and President

Hirokazu Kawaguchi

Contact: General Manager of Administrative General Affairs

Division, Administration Headquarters

Securities code: 9041

<https://www.kintetsu-g-hd.co.jp/> (in Japanese)

The corporate governance of Kintetsu Group Holdings Co., Ltd. (the “Company”) is described below.

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

1. Basic Views Updated

As summed up in our management philosophy—To Support Daily Life, To Create More Value—our goal is to support safety in people’s lives and boldly take on the challenge of creating new value, through sincere corporate activities. We also aim to collaborate with a diverse range of people to make our society better. Through these activities, we hope to maintain and strengthen our engagement with multiple stakeholders (customers, local communities, shareholders, business partners, employees, etc.) and to this end, we are working to enhance our corporate governance and the soundness of our management.

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

The Company complies with all principles of the Japan’s Corporate Governance Code.

[Disclosure Based on each Principle of the Japan’s Corporate Governance Code] Updated

Principle 1.4

The Company does not hold listed securities as cross-shareholdings.

Principle 1.7

When the Company engages in transactions involving conflict of interest as defined in the Companies Act with any of its Directors, this is done upon the approval of the Board of Directors in accordance with the Criteria for Submitting Matters to the Board of Directors for Deliberation. In addition, for uncommon transactions with related parties, the results of the transactions are reported to the Board of Directors following prior review by full-time Audit & Supervisory Board members in accordance with internal regulations.

Supplementary Principle 2.4.1

We believe the active participation of employees with diverse strengths is vital for the sustained growth of the Company. The ratio of female managers at the Company is 5.2%, and we aim to achieve 7% or higher by fiscal 2025. With the aim of increasing candidates for appointment, we are strengthening the hiring of female employees, with the ratio of female career-track hires reaching 33.3% in fiscal 2024, and above the 30% set as the target.

In addition, the Company is taking steps to strengthen mid-career recruitment of people with diverse experience as candidates for core human resources, with mid-career hires accounting for 26.7% of career-track hires in fiscal 2024. Since we do not differentiate in terms of employee treatment, including managerial appointments, based on employment classification or nationality, we have not set goals for the dedicated appointment of managers who are mid-career hires and foreigners.

On a consolidated base, the ratio of female managers at the Kintetsu Group is 22.0% and the ratio of mid-career hires (only domestic companies) is 43.3%, with the Kintetsu Group aiming to ensure diversity.

In addition, so that our employees embody the Group management philosophy “To Support Daily Life, To Create More Value,” we recruit diverse employees who have different knowledge, experience and personal qualities and develop personnel who are highly motivated and possess the abilities and personalities to step into a new world while protecting what must be protected. Furthermore, we aim to create a positive work environment, improve engagement and promote health so that all employees are able to reach their full potential. We are taking steps to expand support systems such as those that enable individuals to balance childcare or nursing care with work, and to enhance childcare centers and clinics for employees.

Principle 2.6

The Company adopts contract type defined benefit corporate pension plans and entrusts consulting operations (including the monitoring of asset managers) to specialized institutions that are highly independent from financial institutions concerning asset management.

The asset management committee comprises the trust caretaker and beneficiaries’ agent, in addition to the officers and managers in charge of the Human Resources Division and Finance and Accounting Division, as well as external consultants. The committee

considers investment management and notifies the status of system operations and other matters to employees every year, managing so that there is no disadvantage to beneficiaries.

Principle 3.1 (i)

Please refer to the Kintetsu Group Management Philosophy, the Kintetsu Group Long-Term Vision 2035 and the Medium-Term Management Plan 2028, which are disclosed on the Company's website below.

Kintetsu Group Management Philosophy

<https://www.kintetsu-g-hd.co.jp/corporate/philosophy.html> (in Japanese)

Kintetsu Group Long-Term Vision 2035 and Medium-Term Management Plan 2028

<https://www.kintetsu-g-hd.co.jp/ir/plan/> (in Japanese)

Principle 3.1 (ii)

Please refer to basic views on corporate governance as described in Section I. 1. in this report.

The basic policy on corporate governance is as follows.

[Securing the Rights and Equal Treatment of Shareholders]

The Company provides that “We will disclose information as appropriate and ensure transparency of management” in our Corporate Code of Conduct, and strives to ensure the rights and equal treatment of shareholders through appropriate information disclosure to shareholders. The Company does all it possibly can to avoid convening the General Meeting of Shareholders on the so-called Peak Day, and sends the notice of convocation approximately three weeks prior to the meeting day while also disclosing the information on TDnet and the Company's website before sending the notice. In addition, the Company appoints four External Directors and three External Audit & Supervisory Board Members who have no risk of a conflict of interest with general shareholders, in a structure that supervises and audits the status of business execution by the management team from an independent and neutral position.

[Appropriate Cooperation With Stakeholders Other Than Shareholders]

The Company has formulated the Group management philosophy, the Corporate Code of Conduct and Legal and Ethical Guidelines, etc. and all officers and employees work as one, striving for appropriate cooperation with stakeholders. The Board of Directors and the management team take the lead on this, and proactively promote various measures that should help the development of our local communities.

[Ensuring Appropriate Information Disclosure and Transparency]

The Company provides that “We will disclose information as appropriate and ensure transparency of management” in our Corporate Code of Conduct and puts this into practice. In addition, for matters that do not fall under disclosure items required by laws and regulations, if the Company deems them important, the Company announces them in a timely and appropriate manner on the Company's website, etc. when such matters arise. Ensuring the accuracy of published materials goes without saying, and we also focus on making the content easy to understand details and hope that many shareholders will refer to them.

[Responsibilities of the Board of Directors]

The Company aims for clarity of the management decision-making and execution framework and the supervision framework. The Board of Directors undertakes ample discussion necessary to aim for the Company's sustainable growth, to improve corporate value over the medium to long term and to improve profitability and capital efficiency, etc. A total of seven external officers comprised of four External Directors and three External Audit & Supervisory Board Members supervise and audit the validity and legality of the Company's business execution. Also, in the case of external officers, we appoint myriad of individuals—such as executives of other companies, attorneys at law, legal scholars, accounting scholars and scholars specializing in information science. We have a framework to supervise and audit the status of the Company's business execution from various perspectives.

[Dialogue With Shareholders]

The Company is supported by approximately 250,000 shareholders, and we hope to hear the views of shareholders to the maximum extent possible. In addition, the Company provides briefings on matters such as the Company's management plans and financial details through IR briefings and other measures to people holding the Company's shares as investments for pension assets, etc. The Company strives to ensure there is understanding for the acquisition and holding of the Company's shares.

Principle 3.1 (iii)

Please refer to “Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods” under [Director Remuneration] described in Section II. 1. in this report.

Principle 3.1 (iv)

Please refer to Section II. 2. in this report.

Principle 3.1 (v)

Please refer to the Reference Documents for the General Meeting of Shareholders in the Notice of the General Meeting of Shareholders listed on the Company's website shown below for the individual reasons for appointment of Directors and Audit & Supervisory Board Members.

Notice of the General Meeting of Shareholders

<https://www.kintetsu-g-hd.co.jp/ir/kabunushi/> (in Japanese)

In the event of dismissal of senior management personnel, the reason is announced through procedures for timely disclosure prescribed by the stock exchange, etc.

Supplementary Principle 3.1.3

In the Kintetsu Group Long-Term Vision 2035 and Medium-Term Management Plan 2028, released in March 2025, the Company promoted the creation of a sustainable society through community development in a way unique to the Kintetsu Group together with five initiatives to develop shared infrastructure for strengthening group management: (1) advancing sustainable management, (2) advancing human capital management, (3) advancing DX management, (4) evolving Group-wide collaboration, and (5) evolving through branding. We aim for the Group's growth through the development of this shared infrastructure. In addition, seven "Priority Issues for Sustainability," including human capital related issues are stipulated in the Kintetsu Group Sustainability Policy. The initiatives to put these into practice and ESG data are disclosed in our integrated reports and on the Company's website (<https://www.kintetsu-g-hd.co.jp/csr/>) (in Japanese), as well as being explained at opportunities such as IR briefings.

In relation to climate change, to address the risks and opportunities of climate change from a long-term perspective, the Company has identified the risks and opportunities and the management measures for each business and considered the world view in line with the TCFD framework, while calculating the costs of the impacts from a rise in temperature on the railway business as of 2030 and 2050. This information is disclosed in our integrated reports and on the Company's website (https://www.kintetsu-g-hd.co.jp/csr/environment/en_tcf.html) (in Japanese), and we continue to enhance both qualitatively and quantitatively.

Supplementary Principle 4.1.1

Critical administrative issues require the approval of the Board of Directors in accordance with the Criteria for Submitting Matters to the Board of Directors for Deliberation, while other matters are delegated to Executive Directors under the President based on internal regulations. In addition, the Company has introduced an officer system, promoting the delegation of authority to non-Directors, and has established its own meeting bodies such as the Management Committee, Board of Managing Directors and Group Strategy Committee, with the aim of information sharing and efficient decision-making among Executive Directors, Officers and major subsidiaries' presidents.

Principle 4.9

Please refer to "Matters Concerning Independent Officers" under [Independent Officers] described in Section II. 1. in this report.

Supplementary Principle 4.10.1

The Personnel and Compensation Advisory Committee has been institutionalized so that all External Directors are its members, thereby ensuring the independence of the committee structure with independent External Directors being in the majority. In addition, this committee, as an advisory body for the Board of Directors, has the authority and role to deliberate on personnel and compensation matters concerning Directors, etc. and reports the results of such deliberation to the Board of Directors.

Supplementary Principle 4.11.1

Please refer to disclosure details as described in Section II. 2. in this report. Please refer to the separate sheet for the skills matrix that discloses the combination of skills, etc. that Directors and Audit & Supervisory Board Members possess.

Supplementary Principle 4.11.2

All Directors and Audit & Supervisory Board Members devote sufficient time and effort required to appropriately fulfill their respective roles and responsibilities. Important positions concurrently held, such as concurrently serving as an officer of another listed company, are disclosed in the Business Report and the Reference Documents for the General Meeting of Shareholders in the Notice of the General Meeting of Shareholders posted on the Company's website, shown below.

Notice of the General Meeting of Shareholders

<https://www.kintetsu-g-hd.co.jp/ir/kabunushi/> (in Japanese)

Supplementary Principle 4.11.3

In order to evaluate its own effectiveness, following on from last year, the Company's Board of Directors carried out self-assessments for all Directors and Audit & Supervisory Board Members. The findings of these are analyzed and appraised. An overview of those results is as follows.

The Board of Directors was given a positive evaluation, overall. It was deemed that important matters are appropriately added to the agenda and the board was deemed to have enhanced reporting including on matters from major subsidiaries' presidents. Both decision making and supervision are also thought to be functioning appropriately.

In response to issues identified in last year's evaluation—that reports on the status of key initiatives in the medium-term management plan and risk management could be more extensive, and that the Directors want to have deeper discussions on the status and outlooks for each business area, and on the correct approach to human capital investment—the board was deemed to have deepened discussion with enhancements to the status report on risk management, and have active discussion concerning improvements to corporate value from a medium to long term perspective.

On the other hand, there was also some feedback that the Directors want to have deeper discussion concerning the environment and new initiatives for each business and on matters such as the Group's human resources development and human resources strategy for the steady progress towards realization of the Medium-Term Management Plan 2028, and that it could be beneficial to aim for further revitalization by recruiting suitable persons with management experience in areas including merchandise sales, service and IT as External Directors.

Taking these ideas on board, we will continue to work to improve the Board of Directors' functions.

Supplementary Principle 4.14.2

Directors and Audit & Supervisory Board Member are appointed from people with broad knowledge and experience in areas including business, finance and accounting, management, law and information science, and they provide legal knowledge, and information concerning the industry and business details required of an officer.

Principle 5.1

The Company regularly holds IR briefings and small meetings by the President, etc., inviting analysts and fund managers and others, with the aim of them understanding the Company's management policy and management plans. How to respond to requests for an interview from a shareholder or investor is considered through collaboration among the division in charge of IR, the division in charge of SR, the division in charge of ESG and our Group companies according to the purpose of the interview, the importance of the content, and the attributes of the interviewee. Shareholder feedback and concerns gathered through IR briefings and interviews are reported to the President or the Board of Directors as and when needed. To ensure their effectiveness, the Company has established a department and an officer in charge of IR within the Corporate Strategy and Planning Headquarters. The Company takes care to manage insider information such as by not creating opportunities for dialogue from three weeks prior to the release of financial results information. The President supervises overall dialogue with these shareholders.

[Status of Dialogue With Shareholders]

The Company promotes the establishment of systems and initiatives to promote proactive dialogue to deepen the understanding of shareholders and investors concerning the Company's management policy and management plans. In addition, the Company works to increase corporate transparency and strives to build long-term relationships of trust by increasing the opportunities to provide shareholders and investors with information and to convey the latest information in an easy to understand manner.

In addition to IR briefings attended by the President and officers in charge of the Corporate Strategy and Planning Headquarters and the Accounting Division, Administration Headquarters being held every six months, the person in charge of IR holds individual meetings and meetings dedicated to ESG according to the needs of analysts and institutional investors in Japan and overseas (approximately 150 held during fiscal 2024). The feedback, etc. obtained through dialogue is regularly reported and shared with senior management. In addition, as well as statutory disclosures including the Annual Securities Reports and the Notices of convocation of the General Meeting of Shareholders, the Company releases Integrated Reports and Fact Books, etc. The Integrated Reports include messages from External Directors to shareholders and other stakeholders.

(Key Dialogue Topics)

- Recent results (financial results, earnings forecast, qualitative topics, etc.)
- Medium and long term business strategies (overview and progress, etc.)
- Financial strategies (reduction of interest-bearing debt, shareholder return policy, etc.)
- ESG-related initiatives (Contributing to a decarbonized and recycling-oriented society, development of diverse human resources, strengthen corporate governance and risk management)

The Company has commenced initiatives for small meetings attended by the President and the officer in charge of the Corporate Strategy and Planning Headquarters aimed at deepening the understanding of the Company's management policy and management plans in part because of requests from analysts and others.

[Action to Implement Management That Is Conscious of Cost of Capital and Stock Price]

The Kintetsu Group has a basic policy to pay stable dividends by introducing a progressive dividend policy with a minimum DOE (Dividend on Equity) of 2.0%, and to deliver shareholder returns in line with medium- and long-term growth, not limited to single-year fluctuations in profit. While creating value through co-creation with multiple stakeholders that include customers, local communities, shareholders, business partners, employees, etc., this is based on the idea that we should distribute that value among stakeholders in a well-balanced way, and continue to generate profits that exceed the cost of capital.

The Company newly introduced ROIC (return on invested capital) as a management indicator in the Kintetsu Group Long-Term Vision 2035 and Medium-Term Management Plan 2028, and is implementing management with a stronger focus on the cost of capital. As financial targets for fiscal 2035, the Company has set operating profit of ¥130.0 billion or more and ROIC of WACC +1.0% or more. As the first stage of achieving these targets, the Company's plans for fiscal 2028 are operating profit of ¥100.0 billion or more, net interest-bearing debt of less than ¥1 trillion, further improvement in ROE, ROIC of 4.5% or more, equity ratio of 25% or more, and a net interest-bearing debt/EBITDA ratio of approximately 6.0 times. (<https://www.kintetsu-g-hd.co.jp/ir/plan/>) (in Japanese).

We are aware that current cost of capital (WACC) for the Kintetsu Group is about 3.5% and we will also incorporate ROIC concepts into each company's performance evaluation and each investment decision, and will set measures for the Group as a whole and for each company, aiming to strengthen equity by improving profit levels while also controlling net interest-bearing debt, to ensure a return on capital required by the market even when there are increases in the cost of capital due to higher interest rates, etc. Also, to improve capital efficiency, we will expand business models that utilize borrowed capital, such as turnover-type real estate business, and strive to improve the turnover rate for asset holdings, accelerate selection and concentration, and enhance the quality of the balance sheet. Achieving the target ROIC through these initiatives will lead us to maximize corporate value and enhance shareholder value.

2. Capital Structure

Foreign Shareholding Ratio Updated

10% or more but less than 20%

[Status of Major Shareholders] Updated

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,224,800	14.82
Custody Bank of Japan, Ltd. (Trust Account)	9,209,200	4.83
Nippon Life Insurance Company	4,198,755	2.20
JP MORGAN CHASE BANK 385781 (Standing Proxy: Mizuho Bank, Ltd.)	2,546,125	1.34
STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd.)	2,359,008	1.24
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing Proxy: Mizuho Bank, Ltd.)	2,187,300	1.15
STATE STREET BANK AND TRUST COMPANY 505103 (Standing Proxy: Mizuho Bank, Ltd.)	1,994,167	1.05
Meiji Yasuda Life Insurance Company	1,629,194	0.86
Mie Kotsu Co., Ltd.	1,343,891	0.71
JP MORGAN CHASE BANK 385794 (Standing Proxy: Mizuho Bank, Ltd.)	1,303,411	0.68

Name of Controlling Shareholder, if applicable (excluding Parent Company)	—
Name of Parent Company, if applicable	Not applicable

Supplementary Explanation Updated

- Based on the shareholder registry as of March 31, 2025.
- The shareholding ratio is calculated excluding 190,576 treasury shares.
- The statement of changes pertaining to the Statement of Large-Volume Holdings made available for public inspection by Mitsubishi UFJ Financial Group, Inc. and its joint holders on July 29, 2024, states that they owned the following shares as of July 22, 2024. However, because the Company is unable to confirm the actual number of shares held as of March 31, 2025, the status of major shareholders above is based on the number of shares owned as recorded in the shareholder registry.
 [Name (Number of shares held, etc., Holding ratio of shares, etc.)]
 MUFG Bank, Ltd. (2,633,800 shares, 1.38%)
 Mitsubishi UFJ Trust and Banking Corporation (5,737,799 shares, 3.01%)
 Mitsubishi UFJ Asset Management Co., Ltd. (1,321,100 shares, 0.69%)
 <Total 9,692,699 shares, 5.08%>
- The statement of changes pertaining to the Statement of Large-Volume Holdings made available for public inspection by BlackRock Japan Co., Ltd. and its joint holders on September 4, 2024, states that they owned the following shares as of August 30, 2024. However, because the Company is unable to confirm the actual number of shares held as of March 31, 2025, the status of major shareholders above is based on the number of shares owned as recorded in the shareholder registry.
 [Name (Number of shares held, etc., Holding ratio of shares, etc.)]
 BlackRock Japan Co., Ltd. (3,520,600 shares, 1.85%)
 BlackRock Fund Managers Limited (481,388 shares, 0.25%)
 BlackRock Asset Management Ireland Limited (354,400 shares, 0.19%)
 BlackRock Fund Advisors (2,125,900 shares, 1.12%)
 BlackRock Institutional Trust Company, N.A. (1,820,927 shares, 0.96%)
 <Total 8,303,215 shares, 4.35%>
- The statement of changes pertaining to the Statement of Large-Volume Holdings made available for public inspection by Sumitomo Mitsui Trust Bank, Limited and its joint holders on October 21, 2024, states that they owned the following shares as of October 15, 2024. However, because the Company is unable to confirm the actual number of shares held as of March 31, 2025, the status of major shareholders above is based on the number of shares owned as recorded in the shareholder registry.
 [Name (Number of shares held, etc., Holding ratio of shares, etc.)]
 Sumitomo Mitsui Trust Bank, Limited (625,700 shares, 0.33%)
 Sumitomo Mitsui Trust Asset Management Co., Ltd. (6,001,600 shares, 3.15%)
 Nikko Asset Management Co., Ltd. (3,583,900 shares, 1.88%)
 <Total 10,211,200 shares, 5.36%>

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Business Sector	Land Transportation
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	¥1 trillion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

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 Updated

◎ Approach and policy toward Group management and contracts related to the same details

Amidst a rapidly changing and complicated business environment, our shift to a pure holding company structure has encouraged our group companies to pursue independent management operations. While taking advantage of the characteristics of this structure, and based on group-wide management policy, we at Kintetsu Group Holdings, the holding company, work on the optimal allocation of management resources and to organize cooperation between the different group companies. In this way, we endeavor to raise management efficiency and develop internal controls and to achieve robust growth and development for the Kintetsu Group as well as increasing corporate value.

We hold three listed subsidiaries—Kintetsu Department Store Co., Ltd., KNT-CT Holdings Co., Ltd., and Kin-Ei Corp.—and two listed affiliates—Mie Kotsu Group Holdings, Inc. and The Kinki Sharyo Co., Ltd. We work to construct a governance system that is appropriate for the Group, and monitor it, ensuring the independence of these listed subsidiaries and listed affiliates (collectively, “listed group companies”) and respecting the rights of their minority shareholders.

From the perspective of group governance, we have established the Kintetsu Group Management Regulations to cover the fundamental roles and similar that group companies are expected to fulfill. These regulations provide for independent decision-making by listed group companies, but ask them to provide reports and similar information about topics for which group-wide risk management would be beneficial from an internal controls standpoint.

Additionally, as part of the process of formulating our medium-term management plans, we hold repeated and sufficient discussions about our business portfolio, which also covers the businesses of our listed group companies. We also take reports from each listed group company on the medium-term management plans that they formulate, and verify whether their management policies and business strategies will contribute to the medium- and long-term growth of both the listed group companies themselves and the entire Kintetsu Group.

Going forward, we and the relevant listed group companies will, based on a shared group strategy, look to develop our businesses and aim for growth in each, while maximizing group synergies.

◎ Significance of possessing listed group companies

Of our subsidiaries, there are three that are listed on Tokyo Stock Exchange’s Standard Market: Kintetsu Department Store Co., Ltd., KNT-CT Holdings Co., Ltd., and Kin-Ei Corp. Of our affiliates, there is one that is listed on Tokyo Stock Exchange’s Prime Market (Mie Kotsu Group Holdings, Inc.) and one on its Standard Market (The Kinki Sharyo Co., Ltd.).

Kintetsu Department Store Co., Ltd. and KNT-CT Holdings Co., Ltd. are the core companies responsible for the Group’s major business and the Company also considers them to be vital for demonstrating the Group’s comprehensive strength. In addition, Kin-Ei Corp. and Mie Kotsu Group Holdings, Inc. collaborate with the railway business, real estate business, merchandise sales business and others in the Company’s dominant areas such as Abeno and Ise-Shima, providing added value unique to the Kintetsu Group. Furthermore, The Kinki Sharyo Co., Ltd. is an important company forming part of the railway business supply chain.

For these listed group companies, having them listed increases their autonomy and is also an advantage in terms of improving competitiveness by gaining the trust of society and securing diverse personnel. We believe that in this way we can synergistically raise the quality of the Kintetsu Group’s management. Moreover, as the companies are listed, customers can participate in their management as individual shareholders. This makes it easier to reflect important opinions from a customer perspective in management. We also believe it plays a big part in creating fans who feel love and loyalty for our companies and their products and services.

On the other hand, collaboration with these listed group companies is important for “advancing human capital management” and “evolving Group-wide collaboration,” which are initiatives for shared infrastructure for strengthening group management in the Kintetsu Group Long-Term Vision 2035 and Medium-Term Management Plan 2028. Improving the corporate value of such group companies though listing also contributes to improve the value of the Kintetsu Group as a whole. We believe this is the driving force behind the goal of the Kintetsu Group to tackle challenges that “only the Kintetsu Group can address.”

In light of this type of positioning of each company and the significance of listing, the Company has chosen the current capital relationship because of our desire to maximize group synergies and to achieve sustainable growth and development while maintaining the autonomy and independence of listed group companies.

◎ Measures to ensure the effectiveness of the governance systems at listed group companies.

For our oversight of group management, we take care not to adversely affect the listed group companies' independence or the profits of their minority shareholders. For vital transactions between the listed group companies and ourselves in the parent company, we make sure to receive approval from our Board of Directors, which includes several independent external directors. Where needed, we also take on board third-party opinions to ensure the fairness of any such dealings.

The listed group companies have also established voluntary committees with the majority of members being independent officers to act as advisory bodies with the rights and responsibilities to discuss personnel affairs pertaining to officers and similar matters. In terms of the exercise of voting rights related to the appointment or dismissal of officers at listed group companies, we have taken a policy of respecting the decisions of the listed group companies that take into account the results of deliberations by those committees.

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 Board*
-----------------------------	---

*Referred to as "Company with *Kansayaku* Board" in the Corporate Governance Code reference translation

[Directors]

Number of Directors Stipulated in Articles of Incorporation	No upper limit
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman (excluding those concurrently serving as President)
Number of Directors	12
Election of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Officers Directors	4

External Directors' Relationship with the Company (1)	Updated
---	---------

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Toshiko Katayama	Attorney at law											
Takashi Nagaoka	From another company								△			
Yuji Mikasa	From another company								○			
Kosuke Takahashi	From another company								△			

* 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;

"▲" 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. Executive or non-executive director 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 officers' remuneration

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., and f.) (the Director himself/herself only)

i. Executive of a corporation to which external officers are mutually appointed (the Director himself/herself only)

j. Executive of a corporation that receives a donation from the Company (the Director himself/herself only)

k. Other

External Directors' Relationship with the Company (2) Updated

Name	Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Toshiko Katayama	○	---	We believe that Toshiko Katayama is qualified as External Director as she has leveraged her extensive experience and deep insight both as an attorney at law and as an expert on consumer issues and has been able to provide advice on the management of the Company from diverse perspectives. In addition, there is no relationship between her and the Company's executive directors and other executive persons where they could have a significant influence on each other and we believe she can monitor the Company's management from a position that is independent from the management team.
Takashi Nagaoka	○	Takashi Nagaoka comes from The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.) and the Company has transactions such as borrowing funds with the bank. He comes from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and the Company has transactions regarding the issuance of bonds, etc. with the company.	We believe that Takashi Nagaoka is qualified as External Director as he has extensive experience and deep insight developed over a long career as a business manager and understands the Company's businesses as well. In addition, there is no relationship between him and the Company's executive directors and other executive persons where they could have a significant influence on each other and we believe he can monitor the Company's management from a position that is independent from the management team.
Yuji Mikasa	○	Yuji Mikasa is Director and Executive Vice Chairman of Nippon Life Insurance Company, the Company has transactions such as borrowing funds with that company.	We believe that Yuji Mikasa is qualified as External Director as he has extensive experience and deep insight developed over a long career as a business manager and understands the Company's businesses as well. In addition, there is no relationship between him and the Company's executive directors and other executive persons where they could have a significant influence on each other and we believe he can monitor the Company's management from a position that is independent from the management team.
Kosuke Takahashi	○	Kosuke Takahashi comes from Development Bank of Japan Inc. and the Company has transactions such as borrowing funds with the bank.	We believe that Kosuke Takahashi is qualified as External Director as he has extensive experience and deep insight developed over a long career as a business manager and understands the Company's businesses as well. In addition, there is no relationship between him and the Company's executive directors and other executive persons where they could have a significant influence on each other and we believe he can monitor the Company's management from a position that is independent from the management team.

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

Established

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

	Committee's Name	All Members	Full-time Members	Inside Directors	External Directors	External Experts	Other	Chairperson
Committee Equivalent to Nomination Committee	Personnel and Compensation Advisory Committee	6	0	2	4	0	0	Inside Director
Committee Equivalent to Remuneration Committee	Personnel and Compensation Advisory Committee	6	0	2	4	0	0	Inside Director

Supplementary Explanation

The Personnel and Compensation Advisory Committee was established to act as an advisory body for the Board of Directors, and it aims to discuss the personnel and compensation affairs of directors, and to assist with the board's decisions. More than half of its members are independent External Directors and it meets at least once each year. The committee holds the functions of both a directorial candidate selection committee and a remuneration committee, and is currently composed of the Chairman of the Board, President and four independent External Directors.

[Audit & Supervisory Board Members*]

*Referred to as "kansayaku" in Corporate Governance Code reference translation

Establishment of Audit & Supervisory Board	Established
Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	No upper limit
Number of Audit & Supervisory Board Members	5

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

Audit & Supervisory Board Members and the Internal Audit Department take reports on audit plans and audit results from and exchange opinions with the Accounting Auditor KPMG AZSA LLC from time to time. In addition, full-time Audit & Supervisory Board Members attend the audit conducted by the Accounting Auditor as necessary.

Audit & Supervisory Board Members take reports on audit plans and audit results from and exchange opinions with the Audit Division, which is the Internal Audit Department, from time to time. In addition, full-time Audit & Supervisory Board Members attend the internal audit conducted by the Audit Division as necessary.

Appointment of External Audit & Supervisory Board Members	Appointed
Number of External Audit & Supervisory Board Members	3
Number of Independent Audit & Supervisory Board Members	3

External Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Masahiro Maeda	Scholar													
Kazumi Suzuki	Scholar													
Michiko Inoue	Scholar													

* 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 Audit & Supervisory Board Member presently falls or has recently fallen under the category;

"▲" when a close relative of the Audit & Supervisory Board Member 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 subsidiaries
- c. Executive or non-executive director 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 officers' remuneration
- 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., and h.) (the Audit & Supervisory Board Member himself/herself only)
- k. Executive of a corporation to which external 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 Audit & Supervisory Board Member himself/herself only)
- m. Other

External Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Masahiro Maeda	○	---	We believe that Masahiro Maeda is qualified as External Audit & Supervisory Board Member as he has extensive academic knowledge and deep insight as a legal scholar. In addition, there is no relationship between him and the Company's executive directors and other executive persons where they could have a significant influence on each other and we believe he can monitor the Company's management from a position that is independent from the management team.
Kazumi Suzuki	○	---	We believe that Kazumi Suzuki is qualified as External Audit & Supervisory Board Member as he has extensive academic knowledge and deep insight as an accounting scholar and certified public accountant. In addition, there is no relationship between him and the Company's executive directors and other executive persons where they could have a significant influence on each other and we believe he can monitor the Company's management from a position that is independent from the management team.
Michiko Inoue	○	---	We believe that Michiko Inoue is qualified as External Audit & Supervisory Board Member as she has extensive academic knowledge and deep insight as a scholar specializing in information science. In addition, there is no relationship between her and the Company's executive directors and other executive persons where they could have a significant influence on each other and we believe she can monitor the Company's management from a position that is independent from the management team.

[Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members]

Number of Independent Directors and Independent Audit & Supervisory Board Members

7

Other Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members

The Company has designated all external officers who meet the independent officer criteria as independent officers. Independent officers are External Directors and External Audit & Supervisory Board Members who will not have a conflict of interest with general shareholders, and the standards by which we determine independence are as follows.

1. Not affiliated with a business partner or its consolidated subsidiary for which the annual amount of transactions with the Group is 2% or more of consolidated operating revenue.
2. Is not a consultant, legal professional or accounting professional who receives monetary consideration or other profit on property of ¥10 million or more per year besides officers' remuneration, and is not affiliated with a legal entity or group that includes such persons.
3. Did not fall under 1 or 2 above during the past three years.
4. Not a close relative of 1 to 3 above (excluding immaterial parties).

[Incentives]

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme and others
--	---

Supplementary Explanation

The amount paid to each director is determined by the Board of Directors after deliberations by the Personnel and Compensation Advisory Committee, more than half of whose members are independent External Directors, while compensation for full-time directors is made up of a fixed pecuniary reward, a performance-linked pecuniary reward, and remuneration in shares.

Persons Eligible for Stock Options

Supplementary Explanation

[Director Remuneration]

Status of Disclosure of Individual Director's Remuneration	No individual disclosure
--	--------------------------

Supplementary Explanation Updated

The total amount of remuneration by category of officer, the total amount by remuneration type and the number of eligible officers for the most recent business year (from April 1, 2024 to March 31, 2025)

Directors	13	¥401 million (Of which, fixed pecuniary reward ¥245 million, performance-linked pecuniary reward ¥129 million, and remuneration in shares ¥25 million)
Of which, External Directors	4	¥38 million (All fixed pecuniary reward)
Audit & Supervisory Board Members	6	¥88 million (All fixed pecuniary reward)
Of which, External Audit & Supervisory Board Members	3	¥28 million (All fixed pecuniary reward)

Policy on Determining Remuneration Amounts and Calculation Methods	Established
--	-------------

Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods

For the remuneration for Directors, it was resolved that, at the 108th Ordinary General Meeting of Shareholders held on June 13, 2019, the amount of pecuniary rewards shall be no more than ¥480 million per year (of which no more than ¥50 million per year for External Directors), and the amount of remuneration in shares shall be no more than ¥60 million per year (with the number of shares not exceeding 15,000 shares per year). At the 74th Ordinary General Meeting of Shareholders held on June 28, 1985, it was resolved that the amount of compensation for Audit & Supervisory Board Members shall be no more than ¥8 million per month. The retirement golden handshake system for corporate officers was scrapped on the day of the 92nd Ordinary General Meeting of Shareholders held on June 27, 2003.

Compensation for full-time directors is made up of a fixed pecuniary reward, a performance-linked pecuniary reward, and remuneration in shares. Performance-linked pecuniary rewards are determined based on the percentage of change and other factors from the previous fiscal year using consolidated ordinary profit and profit attributable to owners of parent as indicators. Such indicators are considered appropriate and selected to measure the results of business execution.

The decision-making policies on remuneration for individual directors are as follows. These policies were decided at the Board of Directors meeting held on February 25, 2021, after deliberations by the Personnel and Compensation Advisory Committee, which was established by the Company as an advisory body to the Board of Directors.

Decision-making policies on remuneration for individual directors

With the belief that directorial remuneration should act as a further incentive to raise corporate value and performance, it comprises three parts: a fixed pecuniary reward, a performance-linked pecuniary reward, and remuneration in shares. Individual amounts are determined in line with the following policies:

1. Decision-making policy on fixed pecuniary rewards
Fixed pecuniary rewards are set in accordance with rank and consider duties, etc.
2. Decision-making policy on performance-linked pecuniary rewards
Full-time directors are provided with performance-linked pecuniary rewards. The amount is set in accordance with rank, and calculated based on the amount of two indicators: consolidated ordinary profit and profit attributable to owners of parent.
3. Decision-making policy on remuneration in shares
For full-time directors' remuneration in shares, they are given transfer-restricted shares that come with certain conditions—such as not being able to be disposed of until after leaving their position—and the number of shares is set in accordance with rank.
4. Decision-making policy on pecuniary proportion of different compensation levels
The ratio between fixed pecuniary rewards, performance-linked pecuniary rewards, and remuneration in shares is set to appropriate proportions to contribute to raising corporate value and performance.
5. Decision-making policy on when rewards are provided
Pecuniary rewards are paid each month. A year's worth of remuneration in shares is provided each July, but should the Board of Directors have deemed that a major legal breach, or other specific event, has occurred, the Company may forfeit the granted shares without compensation.
6. Decision-making method on individual remuneration amounts
The amount of individual remuneration is determined by the Board of Directors, following deliberations by the Personnel and Compensation Advisory Committee, based on plans created by the company.

[Support System for External Directors (and/or External Audit & Supervisory Board Members)] Updated

The Administrative General Affairs Division, Administration Headquarters supports External Directors while the Office of Audit & Supervisory Board Members supports External Audit & Supervisory Board Members. Materials on agenda items for deliberation and reporting are distributed to External Directors and External Audit & Supervisory Board Members prior to the meeting of the Board of Directors and in the event of questions or doubts, they may contact the Administrative General Affairs Division, Administration Headquarters or the Office of Audit & Supervisory Board Members, etc., to obtain further information or clarification. In addition, for agenda items considered particularly important, there may also be explanation to External Directors and External Audit & Supervisory Board Members prior to the meeting of the Board of Directors and in the event that External Directors and External Audit & Supervisory Board Members are absent from a meeting of the Board of Directors or meeting of the Audit & Supervisory Board, explanation of the details of the agenda items is provided and feedback listened to as necessary.

[Status of Persons who have Retired as Representative Director and President, etc.]

Retired Representative Director, President, etc. Holding Advisory or Any Other Position in the Company

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
Yoshinori Yoshida	Advisor	Economic group activities, Social contribution activities, etc. (Not involved in the Company's management)	Part-time, Paid	2020/06/19	2 years

Total Number of Retired Representative Directors, President, etc. Holding Advisory or Any Other Position in the Company	1
---	---

Other Matters

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

(1) Matters pertaining to business execution

1) Board of Directors

The Company has 12 directors, four of whom are External Directors who do not have any special interest in the Company, and eight are full-time Directors. We believe this is a balanced Board of Directors given the size and business activities of the Kintetsu Group.

In addition, the Company has implemented various measures such as shortening the term for directors to one year, abolishing the retirement golden handshake system for Directors and Audit & Supervisory Board Members, introducing an officer system, and introducing a performance-linked remuneration plan and a share-based remuneration plan for full-time Directors and officers, and strives to clarify management responsibilities and improve management efficiency. The Board of Directors meets, in principle, once a month. In addition to deciding important matters of business execution, it regularly receives progress reports on business activities, including on the status of efforts to establish and operate internal controls. Business execution is then overseen by the board's executive directors and officers.

2) Other bodies

In order to ensure information sharing and efficient decision-making among Executive Directors, Officers and presidents of major Group companies, the Company has established meeting bodies, such as the Management Committee, Board of Managing Directors and Group Strategy Committee. In addition, the Company has established the Kintetsu Group Management Regulations, and in addition to gathering information about important matters including risks at each Group company, it forms assorted project teams comprised of cross-Group members, and considers individual management issues from time to time.

(2) Matters pertaining to supervision and audit

Of the five members of the Company's Audit & Supervisory Board, three are External Audit & Supervisory Board Members, and we aim to enhance the stringency and thoroughness of the auditing process. Moreover, we ensure members have the required expertise to discuss matters of a financial, accounting, legal, or informatics nature. In principle, the Audit & Supervisory Board meets once a month. In addition to determining basic policies toward auditing, each board member will report on their ordinary auditing activities, and members will then exchange opinions among themselves. We have also established the Office of Audit & Supervisory Board Members as a dedicated body to take instructions from Audit & Supervisory Board members and to deal with tasks related to the Audit & Supervisory Board and its members' audits. It currently has a staff of seven.

The Company has established a system to conduct internal audits by the Audit Division (with a staff of 15) in a timely manner from the perspective of contributing to the promotion of business improvement, enhancement of management efficiency, etc. and to ensure the properness of operations at Group companies.

The Company has entered into an audit contract with KPMG AZSA LLC for the accounting audit, and for the current business year, in addition to three Designated Limited Liability Partners (Daisuke Harada, Yasuhiro Wada and Toshiyuki Maeda) of such auditor, the audit was conducted by 28 Certified Public Accountants, 13 persons who have passed an accountant examination and 24 others. Audit & Supervisory Board Members and the Audit Division take reports on audit plans and audit results from and exchange opinions with the Accounting Auditor KPMG AZSA LLC from time to time. In addition, full-time Audit & Supervisory Board Members attend the audit conducted by the Accounting Auditor as necessary.

Audit & Supervisory Board Members take reports on audit plans and audit results from and exchanges opinions with the Audit Division from time to time. In addition, full-time Audit & Supervisory Board Members attend the internal audit conducted by the Audit Division as necessary.

(3) Matters pertaining to nominations and remuneration

The Personnel and Compensation Advisory Committee was established to act as an advisory body for the Board of Directors, and it aims to discuss the personnel and compensation affairs of directors, and to assist with the board's decisions. More than half of its members are independent External Directors and it meets at least once each year.

Candidates for Directors are determined by the Board of Directors after deliberation by the Personnel and Compensation Advisory Committee, more than half of whose members are independent External Directors, for Directors appointed from inside the Company taking into account their experience, knowledge, abilities, personalities, and other attributes in a comprehensive manner and for Directors appointed from outside the Company, considering their extensive experience and deep insight, as well as an understanding of the Company's business.

In addition candidates for Audit & Supervisory Board Members are determined by the Board of Directors with the consent of the Audit & Supervisory Board, with appointment of Audit & Supervisory Board Members from inside the Company taking into account their experience, knowledge, abilities, personalities, and other attributes in a comprehensive manner and appointment of Audit & Supervisory Board Member from outside the Company from persons with extensive knowledge and experience in finance, accounting, law and information science.

For dismissal of senior management, when it becomes clear that there have been inappropriate facts and behavior as senior management, depending on the motives, means, objectives and results, representative directors or executive directors are dismissed by resolution of the Board of Directors following deliberation by the Personnel and Compensation Advisory Committee.

For matters pertaining to remuneration, please refer to "Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods" under [Director Remuneration] described in Section II. 1. in this report.

Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and Articles 28 and 35 of the Articles of Incorporation of the Company, the Company has entered into a contract with all External Directors and External Audit & Supervisory Board Members to limit their liabilities for damages under Article 423, paragraph (1) of the same Act. In accordance with the contract, the limit of liability shall be equivalent to the amount determined under laws and regulations.

3. Reasons for Adoption of Current Corporate Governance System

As noted in 2. above, the current governance system combines both functions to supervise and monitor management and systems for improved efficiency and is thought to be valid for ensuring the validity and suitability of management decision-making and business execution, which is why it has been adopted.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights Updated

	Supplementary Explanation
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The 114th Ordinary General Meeting of Shareholders was held on June 20, 2025.
Allowing Electronic or Magnetic Exercise of Voting Rights	Voting rights can be exercised from the website for exercising voting rights designated by the Company.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company has participated in the electronic voting platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice in English (Translated Fully or Partially)	The English version of the notice of convocation (summary of the notice of convocation, reference documents, the Business Report, the Consolidated Financial Statements, and the Non-Consolidated Financial Statements) is posted on the Company's website and the stock exchange's website at the same time as the Japanese version is posted.
Other	We strive to conduct easy to understand general meetings of shareholders such as by using visual equipment when reporting the details of the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements at the General Meeting of Shareholders.

2. Status of IR-related Activities Updated

	Supplementary Explanation	Explanation by Representative
Holding Regular Investor Briefings for Analysts and Institutional Investors	The Company conducts IR briefings and small meetings by the President, etc., inviting analysts and fund managers and others, in principle, once every six months.	Yes
Posting IR Materials on Website	The Kintetsu Group Management Plan, timely disclosures, Consolidated Financial Results, financial result briefing materials, Annual Securities Reports, integrated reports, monthly sales overviews, Corporate Governance Reports, IR calendar, sustainable finance initiatives, Articles of Incorporation and Share Handling Regulations, Notices of the General Meeting of Shareholders, etc., reports on business activities, the guide to shareholder benefits, the guide to stock administration, notices to shareholders, electronic public notice and other materials are posted on the Company's website.	
Establishment of Department and/or Manager in Charge of IR	The Company has established a department and an officer in charge of IR within the Corporate Strategy and Planning Headquarters, engages in various initiatives and responds to inquiries from investors, and handles media interviews..	

3. Status of Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanation
Provisions to Ensure Due Respect for Stakeholders in Internal Regulations, etc.	The Company has formulated its Corporate Code of Conduct and the Kintetsu Group Sustainability Policy, which explicitly stipulates that respect will be shown to the positions of customers, shareholders and other investors, as well as employees and others. In addition, the Company has formulated various policies including the Kintetsu Group Management Philosophy, as well as Legal and Ethical Guidelines, the Fundamental Policy on Human Rights of the Kintetsu Group and the Kintetsu Group Basic Policy on Customer Harassment, which are shared goals of officers and employees. These policies, etc. are disclosed on the Company's website.

	Supplementary Explanation
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Company has set Kintetsu Group Environmental Policy, established Kintetsu Group Environmental Targets, and conducts environmental preservation activities and social contribution activities. Specific initiatives and ESG data are described in integrated reports and posted on the Company's website (https://www.kintetsu-g-hd.co.jp/csr/) (in Japanese). In addition, the Kintetsu Group Long-Term Vision 2035 and Medium-Term Management Plan 2028 have redefined sustainability initiatives as important management issues, and initiatives to realize this have been accelerated through the formulation of specific action plans to progress this.
Formulation of Policies for Information Provision to Stakeholders	The Corporate Code of Conduct explicitly stipulates that there will be accurate information disclosure. In addition, various information relating to stakeholders is disclosed in the integrated reports and on the Company's website.
Other	<p>[Appointment of women as officers and managers] Officers and managers are appointed regardless of gender taking into account their experience, knowledge, abilities, personalities, and other attributes in a comprehensive manner. The ratio of female officers on a consolidated base for the Kintetsu Group is 4.5% (28 persons) and the ratio of female managers is 22.0% (1,247 persons). We would like to continue appointing valuable personnel as officers and managers.</p> <p>[Initiatives for the empowerment of women] We are conducting initiatives to promote the empowerment of women from the perspective of it being important for management to utilize female perspectives. The Company conducts assessments according to ability and achievements, regardless of gender, in situations including recruitment, deployment and promotion. In addition, since the empowerment of women and other diverse human resources are vital for the Company's sustainable growth, we strive to create a positive work environment and to improve motivation such as by enhancing support systems such as those for balancing work and childcare/ nursing care and initiatives to enhance childcare centers and clinics for employees.</p> <p>[Health and productivity management] Kintetsu Group is actively engaged in health and productivity management with the objective of improving the health of employees. In September 2021, we formulated the Kintetsu Group Health & Productivity Management Declaration as our health management policy to further promote health and productivity management, and established a health and productivity management framework centered around the Sustainability Promotion Committee chaired by the Company's President.</p>

IV. Matters Concerning the Internal Control System

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

The Company decided at the Board of Directors to establish a system to ensure that the execution of duties by Directors of the Company complies with laws and regulations and the Articles of Incorporation and other systems necessary to ensure the properness of operations in the Company, and strives to establish internal control systems based on that decision.

An overview of the details of the decision at the Board of Directors is as follows, but this will be revised whenever the need arises.

[1] System to ensure that the execution of duties by Directors and employees of the Company complies with laws and regulations and the Articles of Incorporation

In the Corporate Code of Conduct, which acts as the foundation for how officers and employees behave, we shall clearly state our belief that compliance with laws and regulations and corporate ethics is the foundation of management, and formulate the Legal and Ethical Guidelines to serve as concrete indicators and take measures to ensure awareness.

In addition, we shall establish the Legal & Ethical Affairs Committee to promote corporate behavior in accordance with laws and regulations and corporate ethics, place legal and ethical standards managers and persons in charge in each department, and carry out internal training programs systematically. The Company shall also establish a legal and ethical consultation system to handle reports and queries from employees in order to quickly detect and correct infractions of laws and regulations, corporate ethics, and internal regulations.

The Company shall not have any relationship with antisocial forces, and shall take a firm stand against any unreasonable demands, which is clearly stated in the Corporate Code of Conduct and Legal and Ethical Guidelines.

Regarding internal control over financial reporting based on the Financial Instruments and Exchange Law, the Company shall fully recognize the importance of proper financial reporting in accordance with laws and regulations, and shall properly establish and operate the necessary systems, etc.

[2] System for storing and managing information on the execution of duties by the Company's Directors

In addition to establishing internal regulations for the storage and management of information, such as the Document Handling Regulations, Document Management Regulations, and Information Security Regulations, each department shall appoint a person in charge of document management and a person in charge of information security to properly store and manage information in accordance with these regulations, and shall conduct inspections of storage and management conditions, etc.

[3] Regulations and other systems for managing risk of losses of the Company

In order to properly manage business and other risks, the Company shall formulate the Risk Management Regulations as comprehensive regulations and establish the Risk Management Committee. The Risk Management Committee shall identify important risks through the identification and evaluation of various risks, and report the status of such risks to the Board of Directors on a regular basis.

In addition, important matters including risks shall be discussed and reported, as necessary, at meetings of the Board of Directors and other meeting bodies such as the Management Committee, Board of Managing Directors and Group Strategy Committee.

Furthermore, for the management of risks deemed particularly important, such as matters related to risk management for accidents, disasters, etc., and compliance with laws and regulations and corporate ethics, in addition to the overall risk management system, the Company shall establish individual management systems by appointing a dedicated person in charge and formulating internal regulations and manuals.

[4] System to ensure the efficient execution of duties by Directors of the Company

Upon resolution of the Board of Directors, the Company shall establish a proper business organization and segregation of duties, and clearly define the responsibilities of Executive Directors and Officers. Under the supervision of the President, who is in charge of business execution, Executive Directors and Officers shall be delegated decision-making authority based on certain standards as necessary, while taking into consideration the perspective of mutual checks and balances.

In addition, in order to ensure information sharing and efficient decision-making among Executive Directors, Officers and major subsidiaries' presidents, the Company shall establish its own meeting bodies, such as the Management Committee, Board of Managing Directors and Group Strategy Committee, and form project teams for each individual management issue.

For daily business processing, internal regulations, manuals, etc., which should serve as standards from the viewpoint of standardization, shall be prepared. Furthermore, the department in charge of internal audits shall conduct internal audits from the perspective of contributing to the promotion of business improvement, enhancement of management efficiency, etc.

[5] System to ensure the properness of operations in the corporate group

(1) System for reporting to the Company on matters pertaining to the execution of duties by Directors of subsidiaries

The Company shall establish the Kintetsu Group Management Regulations to be complied with by each Group company, and in accordance with predetermined standards based on this, collect information from each Group company in a timely and proper manner to accurately grasp the actual status of operations and financial position. In addition, in order to review, evaluate and correct the situation, a system shall be established to conduct audits by the Company's Internal Audit Department and other departments.

(2) Regulations and other systems for managing risk of losses of subsidiaries

In order to properly manage business and other risks within the Company group (the "Group"), the Risk Management Committee shall identify important risks across the Group through the identification and evaluation of various risks, and report the status of such risks to the Board of Directors on a regular basis. In addition, important matters including risks at each Group company shall be discussed and reported at meetings of the Board of Directors and other meeting bodies as necessary.

(3) System to ensure the efficient execution of duties by Directors of subsidiaries

The Company shall stipulate whether or not the Board of Directors of the Company is required to approve the execution of business by each Group company, and establish a system that enables each company to execute its business promptly, except for important matters. From the perspective of enhancing the corporate value of the entire Group, the Company shall coordinate and adjust operations between Group companies as appropriate, and the departments in charge at the Company shall provide support and guidance as necessary for each company's legal and accounting-related operations.

(4) System to ensure that the execution of duties by Directors and employees of subsidiaries complies with laws and regulations and the Articles of Incorporation

In addition to the legal and accounting-related operations of each Group company, the departments in charge at the Company shall provide support and guidance as necessary for education and training conducted by each company to ensure compliance with laws and regulations and corporate ethics. In addition, a system shall be established to handle reports and queries from officers and employees of each Group company regarding infractions of laws, regulations, and corporate ethics, etc.

Furthermore, the Internal Audit Department of the Company shall conduct audits of each Group company from time to time in cooperation with the internal audit departments of each company to confirm the status of compliance with laws and regulations and to exchange information with each company.

In addition, in order to ensure the fairness of transactions between the Company and its subsidiaries, the Company shall utilize specially established review procedures for transactions that can be deemed uncommon.

[6] System for audits by Audit & Supervisory Board Members

(1) Matters concerning employees who assist the duties of Audit & Supervisory Board Members of the Company

The Company shall establish the Office of Audit & Supervisory Board Members to deal with tasks related to the Audit & Supervisory Board and its members' audits. The Office shall have a general manager, a manager and other employees as dedicated personnel, as necessary, to assist the duties of the Company's Audit & Supervisory Board Members.

(2) Matters concerning the independence of such employees from the Company's Directors

Employees belonging to the Office of Audit & Supervisory Board Members shall be under the direction of the Audit & Supervisory Board Members, outside the control of the Directors of the Company, and their transfer and evaluation shall be subject to the consent of the full-time Audit & Supervisory Board Members.

(3) Matters related to ensuring the effectiveness of instructions given by the Company's Audit & Supervisory Board Members to such employees

Employees belonging to the Office of Audit & Supervisory Board Members shall receive instructions directly from and report directly to the Company's Audit & Supervisory Board Members without the assistance of the Company's Directors, Officers, or employees under their direction.

(4) System for reporting to Audit & Supervisory Board Members of the Company

a. System for reporting to the Company's Audit & Supervisory Board Members by the Company's Directors and employees

The Company's Directors, Officers and employees shall deliver to the Company's Audit & Supervisory Board Members documents related to the execution of operations and other important documents, and shall promptly report the details of business and other risks, and other important matters, in addition to statutory matters, whenever they become aware of the occurrence of such matters. In addition, the Company shall actively cooperate with the Audit & Supervisory Board Members when they request reports and investigations in the course of their duties. In addition, Executive Directors and Officers shall meet regularly with full-time Audit & Supervisory Board Members to report on their duties.

In addition, the Internal Audit Department of the Company shall regularly report the results of internal audits to the Audit & Supervisory Board Members. When the legal and ethical consultation system receives reports or queries on infractions of laws and regulations, corporate ethics, etc., the details of such reports or queries shall be reported to the Company's Audit & Supervisory Board Members as necessary.

b. System for reporting to the Company's Audit & Supervisory Board Members by Directors, Audit & Supervisory Board Members and employees of subsidiaries or those who receive reports from them

Directors, Audit & Supervisory Board Members and employees of subsidiaries shall, upon request from the Company's Audit & Supervisory Board Members, submit reports and conduct investigations regarding their business and actively cooperate with the Company's Audit & Supervisory Board Members, and shall report any important internal control matters in accordance with the Kintetsu Group Management Regulations. In addition, the Company's Directors, Officers and employees shall report to the Company's Audit & Supervisory Board Members as necessary on matters reported by subsidiaries.

(5) System to ensure that persons who report to the Company's Audit & Supervisory Board Members are not subjected to any disadvantageous treatment

The Company shall take necessary measures such as clearly stipulating in the Regulations for Legal and Ethical Consultation System that no disadvantageous treatment shall be accorded to any person for reporting to the Company's Audit & Supervisory Board Members.

(6) Matters concerning the policy for handling expenses and debts incurred for executing duties by the Audit & Supervisory Board Members of the Company

In the event that an Audit & Supervisory Board Member of the Company requests advance payment of expenses, reimbursement of expenses and interest paid, or reimbursement of liabilities incurred in connection with the execution of his/her duties, the Company shall promptly comply with such request, unless it is obvious that such payment is unnecessary for the execution of the Audit & Supervisory Board Member's duties.

(7) Other systems to ensure effective audits by Audit & Supervisory Board Members of the Company

The Company's full-time Audit & Supervisory Board Members may attend and express their opinions at the Company's important meeting bodies such as the Management Committee, Board of Managing Directors and Group Strategy Committee, and the Audit & Supervisory Board may request the attendance of Directors, Officers, employees, Accounting Auditor and other related persons as necessary.

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

The Company strives to gain the trust from society as a good corporate citizen and shall not have any relationship with anti-social forces or organizations, and shall take a firm stand against any unreasonable demands. In addition, that fact is clearly stated in the Corporate Code of Conduct and the Legal and Ethical Guidelines.

Specifically, the Corporate Code of Conduct, which is the foundation for how officers and employees behave, and the Legal and Ethical Guidelines, which is a set of guidelines pertaining to compliance with laws, regulations, and corporate ethics, clearly state "We will outright refuse any relationship with anti-social forces or organizations" and this is also disclosed on the Company's website. Furthermore, the Legal and Ethical Standards Manual, which corresponds to a manual based on the Legal and Ethical Guidelines, indicates the specific significance and points to note in relation to "We will outright refuse any relationship with anti-

social forces or organizations,” and in addition to raising awareness within the Company, we also conduct initiatives such as internal training.

In the event of unreasonable requests from anti-social forces and organizations, related departments such as the Administrative General Affairs Division, where a person formerly with the police is employed full-time, shall collaborate with external organizations including attorneys at law and the police, with the Company taking a resolute stance and exchanging information as necessary.

Moreover, when transacting, the Company will thoroughly check whether or not the counterparty is an anti-social force or organization or involved with such entities, and in the unlikely event that there is a relationship with an anti-social force or organizations, the policy is to promptly implement appropriate measures including the cancellation of transactions.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
------------------------------------	-------------

Supplementary Explanation	Updated
---------------------------	---------

The Company has determined a basic policy regarding the persons who control decisions on the Company’s financial and management policies.

The details of the basic policy, the details of special efforts to realize the basic policy, the details of efforts to prevent decisions on financial and business policies from being controlled by persons deemed inappropriate in light of the basic policy, and the judgment of the Board of Directors of the Company regarding the efforts and the reasons for its judgment are as follows.

(1) Basic policy regarding the persons who control decisions on financial and management policies

Under the Kintetsu Group Management Philosophy and management plan, we believe that conducting corporate activities from a long-term perspective, giving due consideration to ensuring safety and public interest in the Group’s core railway business and maintaining trust with various stakeholders, as well as striving to further strengthen our corporate governance system, will contribute to enhancing corporate value and securing the shared interests of shareholders. With respect to a person who conducts or intends to conduct a large-scale purchase of the Company’s shares, the Company has determined that shareholders themselves should decide whether or not to accept such an act from the above viewpoint. However, in instances where shareholders are inadequately informed about such purchase, such purchase is made without sufficient time for consideration, management after purchase compromises the safety or public interest of the railway business, or there is no genuine intention to engage in management, resulting in harm to the Group’s synergistic effects, the Board of Directors believes it is crucial to take appropriate measures, in compliance with laws and regulations, to secure corporate value and the shared interests of shareholders while maintaining objective judgment.

(2) Specific details of efforts for the above basic policy

a. The Kintetsu Group has set its target direction as “As a Partner of Communities and Toward a New Era,” and engages in corporate activities based on the Kintetsu Group Long-Term Vision 2035, which outlines its ideal vision for 10 years hence, and the Medium-Term Management Plan 2028, which defines midterm targets and measures. In order to realize the Long-Term Vision “Evolving into a corporate group that continuously creates value by uniting the collective strengths of the Group and boldly taking on new challenges, centered on businesses that support lifestyles and interactions in Japan and overseas,” the Kintetsu Group aims to sustainably enhance engagement with multiple stakeholders and leverage services, information and other means to support society. As priority strategies for realizing this vision, we promote to deepen and revitalize value along railway lines by enhancing the appeal of Abeno, Uchommachi, and Namba, strengthening the brand value of Ise-Shima area, expanding business through the development of the bay area around Yumeshima, and expanding incorporation of inbound tourism demand. Additionally, we work to deepen and expand business away from railway lines and globally by strengthening business infrastructure in non-railway lines and expanding business domains in the Tokyo metropolitan area, etc., and deepening/expanding business and enhancing presence globally. The Medium-Term Management Plan 2028 is positioned the fiscal 2025 to fiscal 2028 term as a period of sowing and growing for the Long-Term Vision 2035. During this period, the Company will steadily execute the above priority strategies and key measures in each segment, and implement management with a stronger focus on capital efficiency, aiming for building a new foundation and achieving steady growth to evolve into a value-creating corporate group.

b. The Board of Directors of the Company shall request a person who conducts or intends to conduct a large-scale purchase of the Company’s shares to provide information necessary for shareholders to make a decision, such as the purpose of the purchase and the management policy of the Group after the purchase, and shall disclose such information in a timely and proper manner. In addition, the Board of Directors of the Company shall evaluate and examine the information provided by the purchaser from the perspective of enhancing corporate value and securing the shared interests of shareholders, and shall hold discussions and negotiations with the purchaser as necessary.

(3) Judgment by the Board of Directors of the Company with respect to the efforts described in (2) above and the reasons for such judgment

We believe that our corporate activities based on our Management Plan described in (2) above are in line with the basic policy regarding the persons who control decisions on financial and management policies, and will enhance our corporate value and contribute to securing the shared interests of shareholders.

In addition, the Board of Directors’ policy for dealing with persons who conduct or intend to conduct a large-scale purchase of the Company’s shares is to request the purchaser, etc. to provide information necessary for shareholders to make a decision and to

disclose such information from the perspective of enhancing corporate value and securing the shared interests of shareholders, and is not intended to favor or reject any particular shareholder or investor. Therefore, the Board of Directors of the Company has determined that the efforts described in (2) above are in line with the basic policy, do not impair the shared interests of shareholders, and are not intended to preserve the positions of officers.

2. Other Matters Concerning the Corporate Governance System Updated

[Issues for further consideration, etc.]

We will continue to work on enhancing our corporate governance, such as by constantly considering the appropriateness of the current framework and undertaking appropriate revisions as necessary so that we can build a highly transparent, fair management framework that can gain trust from society.

[Overview of the timely disclosure system]

The Company stipulates in both its Information Security Regulations and Insider Trading Prevention Rules that officers and employees of the Company shall not communicate internal information of the Company, its subsidiaries, or its business partners, which they have come to know through the course of their duties, to any person other than those deemed necessary for the performance of their duties, and endeavors to strictly manage internal information to prevent its leakage.

In addition, in the event of any doubt that trading by an officer or employee of the Company in stock of the Company as well as the Company's subsidiaries and business partners could be construed as insider trading, there is a requirement to submit an inquiry to the Administrative General Affairs Division, Administration Headquarters. In particular, officers and managers are required to submit a notice in advance when buying or selling using a method other than the purchase of a fixed monthly amount through the Company.

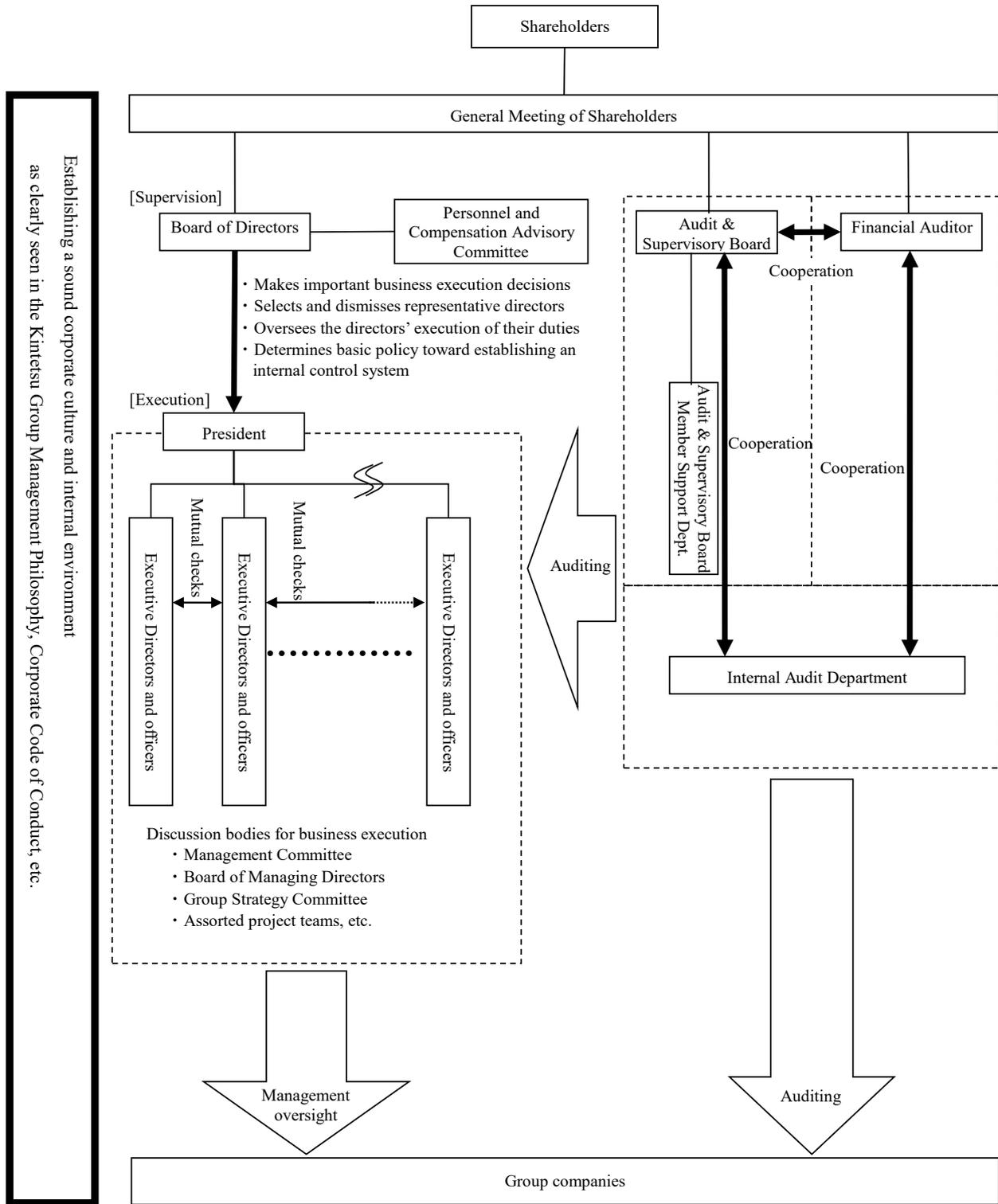
We have established a unified system to capture matters of internal information of the Company and the Company's subsidiaries that should be subject to timely disclosure at the Administrative General Affairs Division, Administration Headquarters. Specifically, the department in charge of the facts (the Group Management Division, Corporate Strategy and Planning Headquarters for subsidiary-related facts) reports the details of the facts to the Administrative General Affairs Division, Administration Headquarters and the Administrative General Affairs Division, Administration Headquarters determines the specific method of disclosure with the approval of the President, after discussion with the relevant departments for such facts and the Public Relations Division. The Public Relations Division shall disclose such facts based on this decision.

The timing of disclosure shall be as follows according to the type of fact.

- | | |
|--|---|
| (1) In the case of decision facts | When the Company or the body that determines the business execution of the Company's subsidiary determined that such matters should be conducted, or when such body determined that matters pertaining to such decisions (limited to published information) should not be conducted |
| (2) In the case of occurrence facts | When the facts are confirmed |
| (3) In the case of financial results information | When the figures relating to the financial results are determined |
| (4) In the case of other information | When the facts are confirmed |

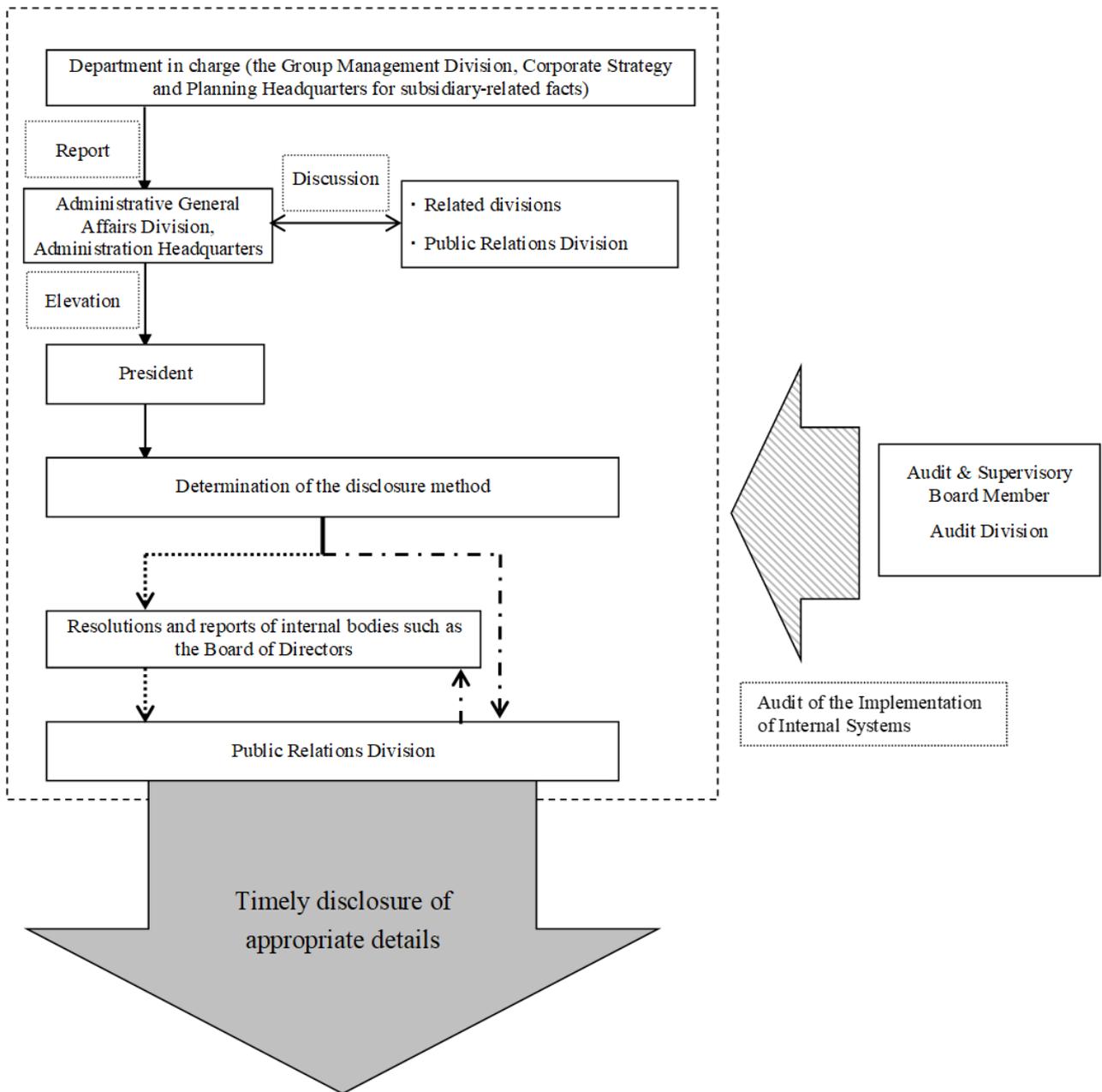
In addition to the audit by Audit & Supervisory Board Members, to check that internal information is being strictly managed, the Company has established a framework for the Audit Division, which is a dedicated department with jurisdiction over the internal audit, to conduct the audit.

Outline of Corporate Governance System (schematic diagram)



Outline of Timely Disclosure System (schematic diagram)

The internal framework pertaining to the timely disclosure of the Company’s corporate information is as follows.



Director and Audit & Supervisory Board Member Skill Matrix

Name Position held in the Company	Management experience	Business experience	Marketing	IT/DX	Global	Finance/ Accounting	Legal affairs	Human resource develop- ment/ Diversity
Takashi Tsuji Representative Director, Chairman of the Board	○	○						○
Takashi Wakai Representative Director and President	○					○	○	
Akimasa Yoneda Representative Director, Senior Executive Vice President	○	○		○	○			
Tetsuya Kobayashi Director, Executive Advisor	○	○	○		○			
Nobu Hayashi Director, Senior Managing Executive Officer		○	○					○
Hiroyuki Kasamatsu Director, Managing Executive Officer					○	○		
Naoyoshi Ueda Director, Managing Executive Officer	○	○	○	○				
Takahiro Sugaura Director, Managing Executive Officer	○	○	○					○
Toshiko Katayama External Director			○				○	○
Takashi Nagaoka External Director	○		○			○		
Yuji Mikasa External Director			○	○	○	○		
Kosuke Takahashi External Director	○	○	○			○		
Akihiko Matsumoto Audit & Supervisory Board Member (full-time)							○	○
Tetsuo Nakamura Audit & Supervisory Board Member (full-time)				○		○		
Masahiro Maeda External Audit & Supervisory Board Member							○	○
Kazumi Suzuki External Audit & Supervisory Board Member						○		○
Michiko Inoue External Audit & Supervisory Board Member				○				○

* The above table does not detail all the knowledge, experience and capabilities that each Director and Audit & Supervisory Board Member possesses.