Dialogue Between Audit and Supervisory Committee Members (Outside Directors)

ACOM's strengths are rooted in a Corporate Philosophy that is embraced by employees and supported by governance

We asked two Outside Directors who are Audit and Supervisory Committee Members to discuss ACOM's strengths as seen from the workplace, the effectiveness of the governance that supports these strengths, and the principles that should be upheld even in an era of change.



——What are your impressions of ACOM after observing the Company as Outside Directors who are Audit and Supervisory Committee Members?

Asano During my first year as an Outside Director and Audit and Supervisory Committee Member, I have placed great importance on visiting the actual workplace where business is conducted. I worked for a life insurance company for many years. Although life insurance and consumer finance are both part of the financial industry, their business characteristics differ significantly. For this reason, I believe that in order to understand ACOM, it is important not only to attend meetings and review materials, but also to visit the actual workplace, see things with my own eyes, and listen to feedback from those working on the front lines.

Through visits to the workplace, dialogue with managers and employees working on the front lines, and participation in the CS Awards*, I was particularly impressed by how the people working at ACOM place great importance on communication with customers. It was clear to me that the Corporate Philosophy of "Customers First" has been firmly instilled throughout the Company. I feel that one of ACOM's major strengths is that its Corporate Philosophy does not remain an abstract concept, but is manifested concretely in our day-to-day work.

Akiyama I have observed many companies from an external perspective during my career at an audit firm. I believe that a company's strength lies in having its corporate philosophy firmly rooted in its actual management. What Mr. Asano has observed on the front lines is precisely a reflection of ACOM's Corporate Philosophy existing not merely as words, but also impacting day-to-day decision-making and the actions of employees on the front lines. I believe this represents one aspect of ACOM's strengths.

Since taking office, I too have placed importance on seeing the realities of ACOM's operations with my own eyes by repeatedly conducting on-site audits at sales offices, individual business divisions, and domestic and overseas subsidiaries. Like Mr. Asano, I have gained a strong appreciation for the capabilities of ACOM's front-line operations.

*An annual company-wide ceremony at which outstanding initiatives and customer service logs relating to customer satisfaction (CS) are shared and recognized

Dialogue Between Audit and Supervisory Committee Members (Outside Directors)

——What is your opinion of governance at ACOM?

Akiyama One point that should be considered when evaluating ACOM's governance is that the Company is both a consolidated subsidiary of MUFG and a listed company. In other words, I believe that whether the rights of minority shareholders are respected is an important issue in ACOM's governance. As an Outside Director and Audit and Supervisory Committee Member, I recognize that I have the important role of independently monitoring whether objectivity is ensured in the appointment and dismissal of the management team and in determining their compensation. I must also evaluate whether the effectiveness of the Board of Directors is ensured, and protect the interests of minority shareholders. Against this backdrop, ACOM has established systems for the Conflict of Interest Advisory Committee and the Appointment and Remuneration Committee, and I believe that each is functioning appropriately.

Asano I would like to discuss governance from the perspective of the effectiveness of the Board of Directors. As a company with an Audit and Supervisory Committee, ACOM has established corporate governance that incorporates an external perspective, together with committees with a high level of expertise such as the Corporate Risk Committee. I feel that these mechanisms are functioning effectively and ensuring fair management. This framework has fostered a culture of free and open discussion at meetings of the Board of Directors, creating an environment in which it is easy to voice opinions. ACOM also responds sincerely to the opinions of Outside Directors. These factors contribute to improving the effectiveness of the Board of Directors.

Akiyama I feel that the Corporate Philosophy of "Customers First" that Mr. Asano observed on the front lines also serves as a guiding principle for decision-making at meetings of the Board of Directors. The fact that this philosophy continues to be upheld as a core principle of management and functions fully in the decision-making process is what supports the foundation of ACOM's governance.

Asano I agree. I believe that the Spirit of Foundation and Corporate Philosophy, embodied in concepts such as the "Circle of Trust," "The Spirit of Human Dignity," and "Customers First," have permeated ACOM. This in itself is a strength supporting the effectiveness of our governance. The fact that ACOM's Corporate Philosophy is not merely a set of words, but lives in the operation of the Company and its day-to-day decisions, can also be said to be a distinctive feature and strength of the Company's governance.

——An important role of Audit and Supervisory Committee Members is monitoring for misconduct. What are your thoughts on this matter?

Asano In general, when the three elements of the fraud triangle (opportunity, motivation, and rationalization) are present, the possibility of fraud occurring cannot be ruled out at any company. Therefore, when fraud occurs, it is necessary to identify the root cause and promptly formulate measures to prevent recurrence. Furthermore, it is important not only to formulate measures to prevent recurrence, but also to implement them steadily while ensuring their effectiveness. Specifically, it is important for the entire organization to work to prevent recurrence by providing compliance training for officers and employees and strengthening internal controls to eliminate opportunities for fraud. At the same time, these efforts must be monitored by the Board of Directors to ensure their effectiveness. To eradicate fraud, it is extremely important not only to implement institutional measures to prevent recurrence, but also to foster a corporate culture that places importance on compliance. At ACOM, the Spirit of Foundation and Corporate Philosophy have become firmly established as part of our organizational culture. I believe that this makes ACOM a company where fraud is less likely to occur. Nevertheless, it is also important to further instill these principles and values throughout the Company.



Akiyama I believe that fraud is the greatest risk to corporate value. We must remain vigilant not only against organizational misconduct, such as accounting and quality fraud, but also individual misconduct, such as the unauthorized removal of information and embezzlement of funds. Strengthening internal controls is essential from the perspective of preventing such misconduct. However, the effectiveness of internal controls is greatly influenced by the integrity of top management.

Dialogue Between Audit and Supervisory Committee Members (Outside Directors)

As Mr. Asano pointed out, compliance cannot be achieved through systems and mechanisms alone. Embedding compliance into the organizational culture is of paramount importance. At ACOM, I believe that President Kinoshita has consistently emphasized throughout the Company that we must never lie, cheat, or deceive others, and that such behavior must never be tolerated. This has helped foster a corporate culture in which misconduct is unlikely to occur.



——The first year of the Medium-term Management Plan has now ended. How do you assess its progress?

Asano Since becoming an Outside Director and Audit and Supervisory Committee Member, I have objectively monitored the progress of the Medium-term Management Plan. I recognize that both business performance and priority measures are ahead of plan and that the plan is progressing smoothly. In addition to Thailand and the Philippines, the newly established subsidiary in Malaysia is beginning to gain traction. The progress of new initiatives in Japan and overseas also indicates steady growth. I believe these developments demonstrate that ACOM is taking a comprehensive approach to management while balancing offensive and defensive approaches.

Akiyama I also evaluate the first year of the Medium-term Management Plan as having progressed ahead of plan, thanks to the efforts of each business division and related department. As an Outside Director and Audit and Supervisory Committee Member, I have objectively monitored the process of implementing the Medium-term Management Plan, checking whether there were any issues with its direction and whether any risks had been overlooked.
In particular, when discrepancies arise between the plan and actual results, I place importance on clearly identifying the issues based on an analysis of the factors behind the discrepancies and thoroughly discussing how ACOM should respond going forward. Even from this perspective, I believe the Medium-term Management Plan is progressing steadily.

——What is necessary for ACOM to achieve sustainable growth in an era of major change?

Akiyama For ACOM to achieve sustainable growth going forward, it is essential to move forward while taking the necessary risks appropriately amid a rapidly changing business environment. In particular, it will be important to proactively embrace environmental changes such as digital technology and AI, and to sustain growth by taking on challenges in new business domains. Another important issue is responding to the increase in financial crime in recent years. Initiatives are under way to detect signs of financial crime through customer interactions and provide financial education programs to improve financial literacy among younger people. Nevertheless, a response across the entire industry will be required to further enhance the effectiveness of such measures. From this perspective as well, I expect ACOM to continue playing a leading role at the forefront of the industry.

Asano As Mr. Akiyama pointed out, in addition to the technological innovations driven by the rapid advancement of AI, we need to consider issues unique to Japan. These include population decline and the risk of a major earthquake, as well as the need for the consumer finance industry to further improve public awareness and understanding. Taking these factors into account, I believe it is important to carefully consider the ideal form that ACOM should take and the direction it should pursue from a medium- to long-term perspective, looking at least ten years ahead.
On the other hand, I believe that what ACOM must not change, no matter how much society changes, are the Spirit of Foundation and Corporate Philosophy represented by "Customers First." When I had the opportunity to observe frontline customer service at the CS Awards, I was deeply impressed by the commitment to understanding each customer's circumstances and working together with them to determine the best course of action. I hope that ACOM will continue to grow and develop towards its 100th anniversary and beyond while continuing to value this corporate culture and tradition.

Corporate Governance

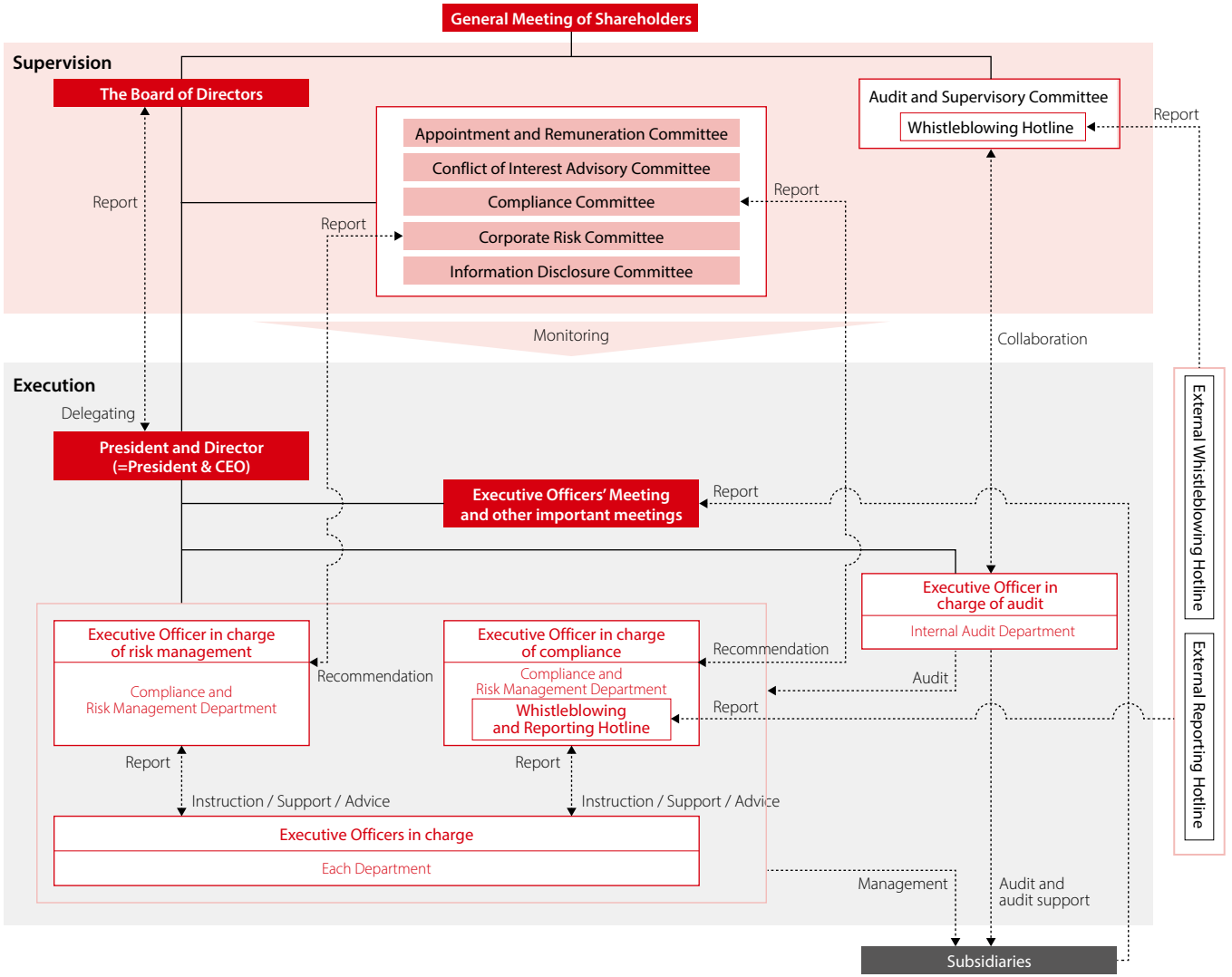
Basic Approach

ACOM Group, guided by its founding spirit—the Circle of Trust, maintains an ongoing corporate philosophy, the spirit of human dignity, customers first, and creative and innovative management. Based on this commitment, we are seeking to deepen mutual trust between our stakeholders and ourselves and thus progress in partnership with society.
In order to meet the expectations of stakeholders and build stronger trust, we will strengthen corporate governance as a key management priority. To this end, we will take steps to enhance the soundness, transparency, and efficiency of our operations and achieve sustained increases in our shareholder value.
We recognize that effective internal control systems are essential to creating an appropriate corporate governance framework. Based on this recognition, we are encouraging all members of our organization to join forces in building internal control systems and assuring their effectiveness, under the leadership of the management. At the same time, we are constantly evaluating, verifying, and improving the effectiveness of internal control systems already in place.

Reasons for Selection of Current Corporate Governance Structure

ACOM is a company with an Audit and Supervisory Committee. To speed up decision-making processes and strengthen the supervisory function of the Board of Directors, we have substantially delegated authority for making decisions on the execution of important business operations from the Board of Directors to Directors, while the Board of Directors monitors matters that have been delegated, among other activities.
In addition, to enhance management transparency and objectivity, the Audit and Supervisory Committee, which is comprised of a majority of Outside Directors, exercises its audit and supervisory functions.

Corporate Governance Structure



Corporate Governance

Internal Outside Outside (female)

The Board of Directors

Chair	President & CEO Masataka Kinoshita
Meeting frequency	At least once every three months, in principle
Number of meetings in FY2025	10
Number of attendees	10 persons
Role	● The Board deliberates on and decides important business management matters, such as management strategies and business planning, and basic policies for building corporate governance and internal control systems, while ensuring objective and rational judgment. ● The Board delegates decision-making on matters related to the execution of business operations other than matters to be resolved at the Board of Directors to the President and Director, and monitors and supervises the execution of duties by thorough monitoring and other measures on delegated matters.

Main topics considered in FY2025

Management strategies
- Single-year management plan
- Medium-term Management Plan
- Interim and year-end dividends
- Human rights policy
- Updating materiality

Business management
- Basic policy on the creation of an internal control system
- Status of response to the Corporate Governance Code

Accounting and financial affairs
- Financial statements
- Business reports

Personnel
- Selection of Directors' positions
- Directors' basic and performance-based remuneration as well as stock-based remuneration

Audit and Supervisory Committee

Chair	Director, Full-time Member of the Audit and Supervisory Committee Kikuo Asano
Number of meetings in FY2025	14
Number of attendees	3 persons
Role	● Receives reports concerning important audit-related matters, holds discussions, and passes resolutions

Key audit items

- Effectiveness of the operation of the Board of Directors and the fulfilment of its supervision duties
- Appropriateness of deliberations and other matters at each committee and management-related meeting
- Appropriateness of the development and operation of internal control systems pursuant to the Companies Act and the Financial Instruments and Exchange Act
  - Operation of Group governance structure
  - Promotion of risk management structure and qualitative improvement measures
  - Status of efforts to enhance the quality of the cyber security management framework
  - Qualitative improvement measures for internal audits
  - Response to legal violations, whistleblowing, unforeseen circumstances, and issues identified through internal audits
  - Qualitative improvement measures for information disclosure
  - Adequacy of loss on interest repayments and allowance for doubtful accounts
- Status of progress for Medium-term Management Plan

Key activities

- Attendance at Board of Directors meetings, committee meetings, and management-related meetings
- Exchange of opinions with Representative Directors, Directors, and Executive Officers
- Inspection of important approval documents, etc.
- Examination of operations and assets at head office, business sites, and subsidiaries based on audit plans
- Exchange of opinions with Representative Directors and Full-time Auditors at main subsidiaries
- Collaboration with Accounting Auditors, receipt of accounting audit reports, and exchange of opinions
- Collaboration with Internal Audit Department, receipt of internal audit reports, and exchange of opinions

Corporate Governance

Internal Outside Outside (female)
Outside expert Person other than Director (internal)

Committees

Appointment and Remuneration Committee

Chair	President & CEO Masataka Kinoshita
Meeting frequency	3 times per year, in principle
Number of meetings in FY2025	4
Number of attendees	6 persons
Role	● Reviews and proposes the appointment of candidates and remuneration for Directors (excluding Directors serving as Members of the Audit and Supervisory Committee) for resolution at the Board of Directors Meeting ● Checks the status of training for both management and management candidates, and provides an overview to the Board of Directors

Main topics considered in FY2025

- Director evaluations
- Director candidates and Representative Director candidates at subsidiaries
- Selection of Directors' positions
- Directors' basic and performance-based remuneration as well as stock-based remuneration
- Development of management team and management candidates

Conflict of Interest Advisory Committee

Chair	Director, Full-time Member of the Audit and Supervisory Committee Kikuo Asano
Number of meetings in FY2025	1
Number of attendees	3 persons
Role	● Deliberates on material transactions, etc., where the interest of controlling shareholders conflicts with the interest of minority shareholders from the perspective of protecting the interests of minority shareholders, and makes recommendations to the Board of Directors, etc.

In the fiscal year ended March 2026, there were no relevant transactions throughout the year, but the Conflict of Interest Advisory Committee met once to report on the results. All members of the committee were in attendance.

Compliance Committee

Chair	Outside Director Michelle Tan
Meeting frequency	4 times per year, in principle
Number of meetings in FY2025	4 times
Number of attendees	5 persons
Role	● Deliberates on compliance-related matters, and makes recommendations to the Board of Directors as necessary

Corporate Risk Committee

Chair	Deputy Chairman Hiroshi Naruse
Meeting frequency	Once every quarter, in principle
Number of meetings in FY2025	4 times
Number of attendees	5 persons
Role	● Discusses important items related to risk management and makes proposals and reports to the Board of Directors as deemed necessary ● Monitors the status of risk management and other matters and reports the results to the Board of Directors

Information Disclosure Committee

Chair	Deputy Chairman Hiroshi Naruse
Meeting frequency	Twice every quarter, in principle
Number of meetings in FY2025	7
Number of attendees	6 persons
Role	● To ensure accurate, timely and appropriate information disclosure, the Committee deliberates on matters such as statutory disclosure materials based on the Companies Act and Financial Instruments and Exchange Act, timely disclosure materials based on the Securities Listing Regulations, and matters related to the development of information disclosure systems.

Executive Officers' Meeting and other important meetings

Chair	President & CEO Masataka Kinoshita
Meeting frequency	Three times a month, in principle
Number of attendees	10 persons
Role	● With Audit and Supervisory Committee Members in attendance and in accordance with basic policies determined by the Board of Directors, discusses and makes decisions related to the execution of important business operations delegated by the Board of Directors to the President and Director ● Deliberates on management policies and management plans in advance for resolution at the Board of Directors

Corporate Governance

Director Appointment Process

In appointing directors, the Appointment and Remuneration Committee selects candidates in light of our management strategies and based on the Policy of the Composition of the Board of Directors, and resolutions are passed by the Board of Directors. Candidates are appointed from among those who meet the following criteria.

Criteria for Candidate Nomination

Director (Excluding Directors who are Members of the Audit and Supervisory Committee)	Member of the Audit and Supervisory Committee
● Possesses ample corporate management experience, a high level of knowledge, and advanced expertise, in order to raise the effectiveness of management supervision	● Possesses a high degree of expertise, knowledge, and experience regarding management, law, finance, accounting, and other matters necessary for achieving transparency and objectivity in management
● Is well-respected, of excellent character, and has high ethical standards	
● Is in good physical and mental health, and able to perform their duties without any problems	
● Has never violated laws, regulations, or compliance standards (including harassment) or caused significant loss to the Company or any company or organization to which they previously belonged	
● Has no ties to anti-social forces	

Policy for Nominating Candidates

Director (Excluding Directors who are Members of the Audit and Supervisory Committee)	Member of the Audit and Supervisory Committee
Based on the above criteria, the Appointment and Remuneration Committee considers and recommends candidates, which are approved by the Board of Directors	Based on the above criteria, the president considers and recommends candidates, which are approved by the Board of Directors with the consent of the Audit and Supervisory Committee

Policy of the Composition of the Board of Directors

(1) Balance of expertise, experience, and ability

The key skills that our directors shall possess in light of our management strategies are defined as follows, and the overall composition of the Board of Directors shall be appropriately balanced in terms of these skills.

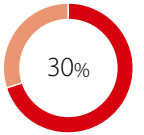
(2) Diversity

The Board of Directors shall be comprised of a diverse range of individuals in terms of gender, international experience, professional background, and age, etc.

(3) Scale

To speed up decision-making processes and to ensure effective mutual supervision of director duties, the scale of the Board of Directors shall be relative to the range and size of the Company's business.

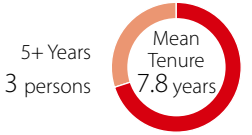
Outside Directors



Diversity



Tenure



Required Skills and Definitions

Skill	Definition
Corporate Management and Planning	The individual has experience as a director or experience in the formulation and implementation of management strategies, either in-house (includes subsidiaries) or at another company, and boasts a high level of relevant insight.
Business Management	The individual has experience in corporate governance or personnel management, and boasts a high level of relevant insight.
Execution of Business	The individual has experience in one of our core businesses—namely the Loan and Credit Card Business, the Guarantee Business, or the Overseas Financial Business—and boasts a high level of relevant insight.
System and Digital	The individual has experience with our system- and digital-related projects, and boasts a high level of relevant insight.
Finance and Accounting	The individual has experience in financial affairs and accounting and boasts a high level of relevant insight, or the individual is a certified public accountant and is well-versed in accounting with a high level of expertise.
Law, Compliance, and Risk Management	The individual has experience in corporate legal affairs, compliance, and risk management, and boasts a high level of relevant insight, or the individual is a qualified lawyer and is well-versed in law with a high level of expertise.

* In principle, directors who are members of the Audit and Supervisory Committee shall also have a wealth of knowledge in financial affairs and accounting, while independent outside directors shall have experience in management at other companies.

Corporate Governance

Directors and Audit and Supervisory Committee Members / Skills Matrix (as of June 23, 2026)

For brief biographies of Directors and a list of Executive Officers, please refer to the list of officers on our website.
https://www.acom.co.jp/corp/english/about-us/company/officer/

Position/ Name No. of Company shares held											
		Chairman **Shigeyoshi Kinoshita** 3,507,260 shares	Deputy Chairman **Hiroshi Naruse** 0 shares	President & CEO **Masataka Kinoshita** 1,203,120 shares	Deputy President **Takashi Kiribuchi** 16,300 shares	Senior Managing Director **Yuji Kinoshita**[*3] 2,700 shares	Director **Tadashi Yamamoto** 0 shares	Director (Outside/Independent) **Michelle Tan** 0 shares	Director, Full-time Member of the Audit and Supervisory Committee (Outside/Independent) **Kikuo Asano**[*4] 0 shares	Director, Full-time Member of the Audit and Supervisory Committee **Akihiro Kiyooka** 15,500 shares	Director, Member of the Audit and Supervisory Committee (Outside/Independent) **Takuji Akiyama** 0 shares
Cumulative years of service as Director of the Company		43	5	11	6	Newly appointed	3	2	1	2	5
Age		77	67	48	64	61	57	64	67	58	68
Corporate Management and Planning		●	●	●	●	●	●	●	●	●	
Business Management		●				●	●		●		●
Execution of Business				●		●					
System and Digital			●	●	●						
Finance and Accounting		●			●				●	●	● (Certified public accountant)
Law, Compliance, and Risk Management			●				●	●		●	●
Member committees and attendance (★: Chair of Board / Chair of Committee)	The Board of Directors	10/10 (100%)	10/10 (100%)	★10/10 (100%)	10/10 (100%)	—	10/10 (100%)	10/10 (100%)	6/6 (100%)	10/10 (100%)	10/10 (100%)
	Appointment and Remuneration Committee	4/4 (100%)	4/4 (100%)	★4/4 (100%)	—	—	—	—	1/1 (100%)	4/4 (100%)	4/4 (100%)
	Audit and Supervisory Committee	—	—	—	—	—	—	—	★10/10 (100%)	14/14 (100%)	14/14 (100%)

*1 The Skills Matrix shown above is a list of three major skills marked that each Director possesses. It does not represent all the skills that each Director possesses.
*2 Michelle Tan, Kikuo Asano and Takuji Akiyama have been appointed as independent officers as they meet the Company's criteria for assessing the independence of Outside Directors.
*3 Took office as Director effective June 23, 2026.
*4 Took office as Director effective June 20, 2025. Appointed as Full-time Member of the Audit and Supervisory Committee effective April 1, 2026.

Corporate Governance

Evaluation of Effectiveness of the Board of Directors

The Company distributes a questionnaire regarding the effectiveness of the Board of Directors to all Directors every year, and conducts an analysis and evaluation of the effectiveness of the Board of Directors based on the responses to the questionnaire. The Company addresses any issues identified based on responses to the questionnaire, and works to increase the effectiveness of the Board of Directors.

Effectiveness Evaluation Process

STEP 1 **Self-evaluation**
Each Director responds to questionnaire

STEP 2 **Overall evaluation**
The Board of Directors discusses how to address issues identified through the questionnaire results

STEP 3 **Disclosure of evaluation results**
Disclose evaluation methodology and evaluation results in Corporate Governance Report

Evaluation Results

The Company conducted the analysis and evaluation of the effectiveness of the Board of Directors this fiscal year. Consequently, the Company assessed that the Board of Directors effectively fulfills all of its functions, including the formulation of management strategies and targets, resolving management challenges, supervising risk management and business executives. Thus, the Company concluded that the current Board of Directors functions sufficiently and is effective.
At the same time, with a view to further improving the effectiveness of the Board of Directors, we recognize the need to further enhance the content of discussions by continuing to advance the operation of the Board of Directors.

Operation Policy for Ensuring Effectiveness

Going forward, the Company operates the Board of Directors as described below, while the Company will regularly analyze and evaluate the effectiveness of the Board of Directors, and continue efforts to ensure enhanced effectiveness of the Board of Directors.

(1) The Board of Directors will deliberate on and decide material business management matters, such as management strategies and business plans, while ensuring objective and rational decisions, and will also determine basic policies for corporate governance and building internal control systems, as it monitors and supervises the execution of business.
(2) Material matters will be exhaustively selected as agenda items based on regulations for matters to be resolved at the Board of Directors meeting, as stipulated in the rules of the Board of Directors. The Board of Directors will discuss such selected material in a timely and appropriate manner.
(3) The Company will distribute materials to be used at Board of Directors meetings prior to the meeting, in order to ensure smooth and lively discussions. Explanations on the content will be provided in advance when deemed necessary.
(4) The Board of Directors will receive periodic reports on the status of management, etc., and monitor the execution of business.

Policy on Strategic Shareholdings

The Company currently does not have any strategic shareholdings and does not plan to do so in the future.

Training for Officers

We hold study sessions for officers in order to improve the skills of Directors and Executive Officers who are Director candidates and to improve the effectiveness of the Board of Directors. In the fiscal year ended March 2026, we held study sessions for officers on the following topics.

- Sustainable management
- Management producing new business
- Corporate response to business and human rights
- Method of utilizing generative AI
- Crisis management communications
- Trend analysis in marketing to young people
- Cyber security
- Strategy for use of next-generation AI

Succession Plan

At ACOM, the Appointment and Remuneration Committee reviews the status of development of management and management candidates, as well as the content of training provided to Directors and evaluates its appropriateness. After receiving the opinions of the independent Outside Directors who are members of the Committee, an overview is reported to the Board of Directors.
Currently, ACOM's Appointment and Remuneration Committee is comprised of six Directors, including two independent Outside Directors. Although the independent Outside Directors do not constitute a majority of the Appointment and Remuneration Committee, appropriate involvement and advice is obtained from the independent Outside Directors through the above operations.

Amount of Remuneration and Policy for Deciding on Calculation Method

The benchmark for remuneration of Directors is the remuneration level at companies with the same business scale as the Company, and belonging to a related industry type or category, and the remuneration system is structured to adequately function as an incentive for continually improving corporate value.
Remuneration for individual Directors is provided only monetarily.
Remuneration for Representative Directors and Directors who serve concurrently as Executive Officers consists of basic remuneration, performance-based remuneration, and stock-based remuneration, while remuneration for other Directors consists only of basic remuneration.
Basic remuneration is fixed remuneration paid every month, performance-based remuneration is variable remuneration paid once a year based on performance, and stock-based remuneration is variable remuneration paid upon retirement based on stock prices.

Overview of remuneration system for Directors*

Fixed remuneration	Basic remuneration	The Appointment and Remuneration Committee reviews and proposes an amount suited to the Director's position, taking into account levels at other companies, performance at the Company, employee salary levels, and so on, and then a decision is made by the Board of Directors.
Variable remuneration	Performance-based remuneration	The basic funds for distribution are calculated using profit attributable to owners of the parent as an index for comprehensively measuring the management performance, and then the Appointment and Remuneration Committee reviews and proposes an amount suited to the Director's position and personal evaluation, etc., and a decision is made by the Board of Directors.
	Stock-based remuneration	Virtual stock is awarded annually and multiplied by the stock price three years later. In line with management conditions, the Appointment and Remuneration Committee discusses and proposes the amount of virtual stock, and the final decision is made by the Board of Directors.

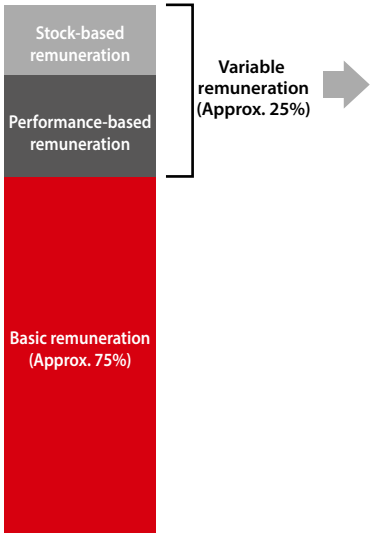
*Excluding Directors who are Members of the Audit and Supervisory Committee

Total amount of remuneration, etc., for Directors in FY2025

Category	Total amount of remuneration (million yen)	Breakdown (Millions of yen)			Personnel
		Fixed remuneration	Performance-based remuneration	Stock-based remuneration	
Director (excluding Member of the Audit and Supervisory Committee and Outside Director)	253	179	53	20	7 persons
Member of the Audit and Supervisory Committee (excluding Outside Director)	21	21	—	—	1 person
Outside Officer	33	33	—	—	4 persons
Total	308	234	53	20	12 persons

* A target for the performance-based remuneration index has not been set for the fiscal year ended March 2026, but in terms of track record, in the past there have been basic funds for distribution of 60 million yen for a range of 60–70 billion yen profit attributable to owners of the parent for the year serving as a basis.

Method of determining amount of variable remuneration



Performance-based remuneration	The range of profit attributable to owners of the parent for the year which serves as the standard for basic funds for distribution is determined by the Appointment and Remuneration Committee while taking into account extraordinary income or losses and other special factors, and then the amount is determined by the Board of Directors by multiplying by a multiplier commensurate with the position specific distribution ratio and personal evaluation of the Director with the basic funds for distribution.
Stock-based remuneration	The Appointment and Remuneration Committee determines the number of virtual shares calculated based on the base amount set for each Director who concurrently serves as a Representative Director or an Executive Officer each year, and the Board of Directors decides on the allotment of those shares. The virtual shares are converted into points by multiplying them by the stock price three years later, and the points accumulated during the term of office are converted into a monetary amount and paid at the time of retirement.

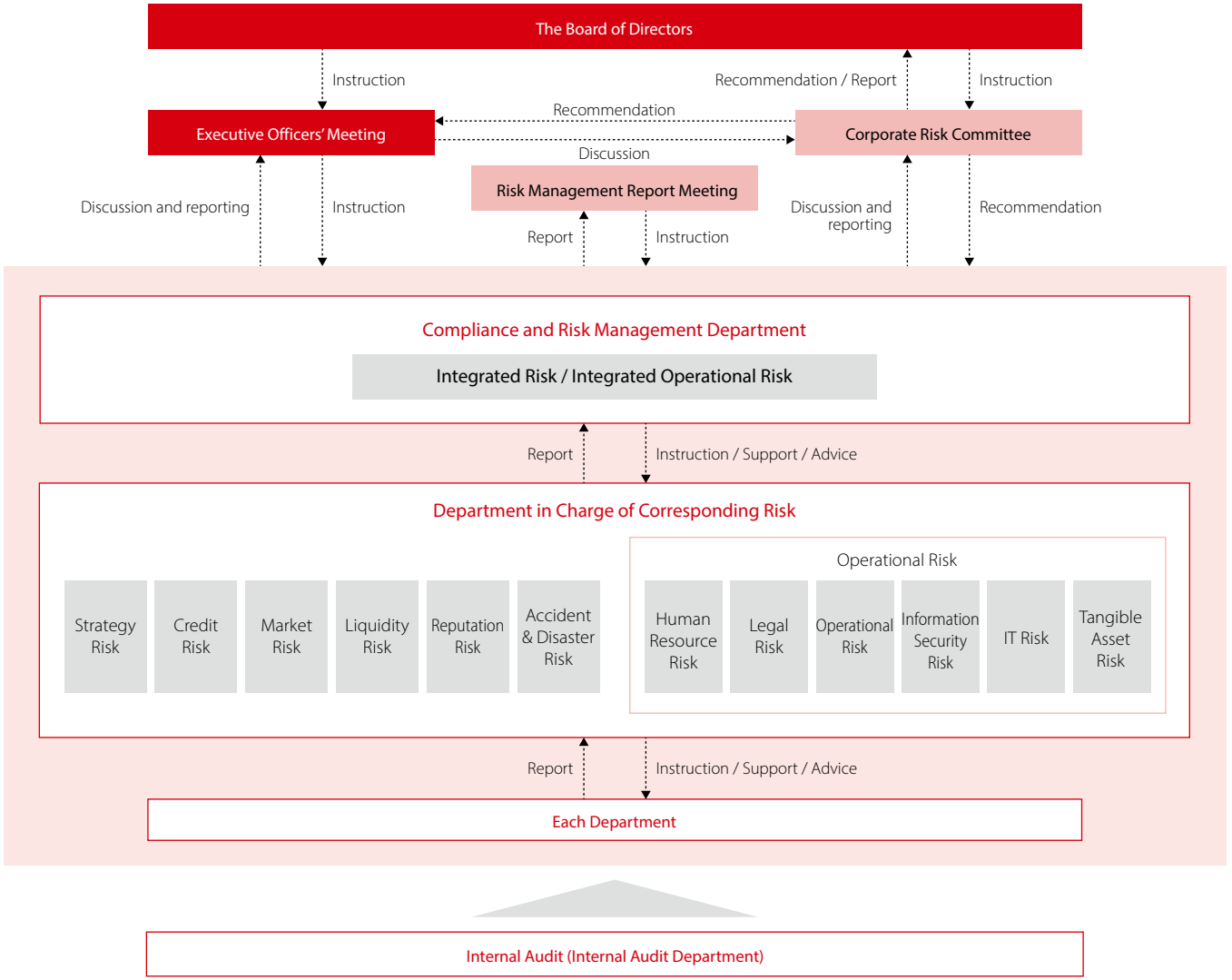
Risk Management

Risk Management System

The risks to be managed are becoming more complex and diverse as the management environment surrounding the Company changes. In this context, we are aware that one of our most vital management tasks is to build and reinforce a risk management system to fully recognize risks and make sure that management soundness is maintained, together with stable profitability, and growth potential. Furthermore, against the backdrop of advances in digital technology in recent years, we regard risks that may arise from the use of new technologies, including AI, as well as risks associated with delays in their introduction, as one of the changes in the business environment surrounding ACOM. With this in mind, we are gradually developing the necessary systems and structures.
Our departments and sections in charge periodically identify, evaluate, and control all the risks that are identified in the Risk Management Regulations as requiring management. Also, our Compliance and Risk Management Department aggregates the risk management status of departments in charge and provides integrated management of risks. Risk management activities in business execution are reported at Risk Management Report Meetings. The Corporate Risk Committee examines important matters concerning risk, monitors the risk management situation, and reports results and advice to the Board of Directors.

For details, please refer to the securities report.
https://pdf.irpocket.com/C8572/xoA3/Ef45/QpAF/Ztre.pdf

Risk Management System Structure



Compliance Activities

The Company regards compliance as one of its most important management issues. The establishment of "ACOM's Ethical Code for Business" (currently ACOM Group Code of Ethics and Code of Conduct) in 1998 positioned the Company as a forerunner in the industry, and since then, the Company has continued to focus on building and maintaining a robust compliance system.

Compliance System

The Compliance and Risk Management Department supervises compliance throughout the Company. The Compliance and Risk Management Department is in charge of the following: developing, reviewing, and following up on implementation plans related to compliance with relevant laws and regulations; establishing, updating, and disseminating our Compliance Handbook which summarizes laws and regulations employees must abide by; raising awareness by conducting various training courses; and responding to reports and inquiries submitted through the Ethics Hotline by executives and employees.

In addition, Compliance Offices established within the Credit Business Promotion Division, Credit Management Department, and Guarantee Business Division collaborate with the Compliance and Risk Management Department in implementing a compliance system that allows for more task-focused compliance. Furthermore, our Compliance Committee, which consists mainly of experts from outside the Company, operates according to a framework for deliberation of matters important for establishing and strengthening compliance. In this way, the Committee strives to ensure that the compliance system is effective.

As outlined above, the Company is engaged in a continuous challenge to strengthen the structure of its corporate culture of compliance, as well as improve every employee's awareness.

Ethics Hotline (Whistleblowing)

The Company has established an Ethics Hotline as a contact point for executives and employees to report information regarding compliance violations or possible violations. The Ethics Hotline aims to prevent scandals and minimize the impact and damage caused by them through early detection of internal problems regarding compliance and appropriate corrective measures. The Ethics Hotline strictly prohibits acts of retaliation, as well as searching for and identifying anyone who has reported information or made an inquiry to the Hotline. Any information received is managed with strict security. We are working to improve the usefulness and reliability of the entire whistleblowing system, including the Ethics Hotline, so that it is easier for executives and employees to use.

Action to Strengthen Financial Crime Countermeasures

There are demands for financial institutions to adopt even more sophisticated countermeasures against money laundering and terrorist financing amid the increasing threat of organized crime, terrorism, etc., in the international community.

In order to respond to the current situation, the Company established a Financial Crime Prevention Office in April 2019 that aims to construct a system to prevent our products and services from being used for illegal activities involving money laundering or financing of terrorists.



Message from the Chair of the Compliance Committee

Director (Independent/Outside)

Michelle Tan

Michelle Tan was born in Australia. She came to Japan in 1985. Since attending graduate school at Osaka University, she has worked in research on consumer policy and compliance in Japan and overseas, particularly in Australia. After working as a professor at Tezukayama University, Tan served as Chair of the Japan Consumer Network, before taking on her current role as Director of the Ethical Business Research Institute. She became a Director at ACOM on June 21, 2024.

Compliance is the foundation for ACOM to achieve sustainable growth and continue to meet the trust placed in us by society. In the second year of the Medium-term Management Plan, we are continuing to build an organization in which each officer and employee can act with a high level of ethical standards, with a focus on fostering a compliance culture, one of our priority themes.

In light of recent misconduct, we have once again recognized the importance of not only developing our compliance framework but also further strengthening awareness among all officers and employees of social norms, rules, and ethical standards of each officer and employee. To prevent the recurrence of misconduct, it is essential not only to understand and comply with rules, but also to think for ourselves about the right thing to do and act accordingly; in other words, to act with integrity. To this end, ACOM provides integrity training for all employees and is working to establish a corporate culture in which appropriate judgement and action are consistently practiced. Going forward, we will continue to place compliance at the core of management and pursue initiatives to enhance the effectiveness of our compliance framework.

Moreover, preventing financial fraud is an urgent priority in response to growing demands from society. Fraudulent schemes are becoming increasingly sophisticated and diverse each year, including special fraud and financial crimes using social media and the internet. Amidst such trends, the role expected of financial institutions is becoming increasingly important. The industry as a whole has worked to prevent such harm. Even so, going forward, we need to address financial fraud prevention from a broader perspective rather than limiting our efforts to existing frameworks. While deepening collaboration with relevant organizations and industry associations, ACOM will strive to create an environment in which customers can use financial services with peace of mind.