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(Securities Code 7164)
June 1, 2022

To Shareholders with Voting Rights:

Eiji Ishikawa
President & Representative Director
ZENKOKU HOSHO Co., Ltd.
2-1-1 Otemachi,
Chiyoda-ku, Tokyo, Japan

NOTICE OF CONVOCATION OF THE 42ND ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to attend the 42nd Annual General Meeting of Shareholders of ZENKOKU HOSHO Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form, or via electromagnetic method (the Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter), and cast your vote by 5 p.m. on Thursday, June 16, 2022 Japan time.

1. Date and Time: Friday, June 17, 2022 at 10 a.m. Japan time (reception will open at 9 a.m.)

2. Place: JP Tower Hall and Conference, Fourth floor of JP Tower, located at 2-7-2 Marunouchi, Chiyoda-ku, Tokyo, Japan

3. Meeting Agenda:

Matters to be reported: The Business Report and Financial Statements for the Company’s 42nd Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

Proposal No. 1: Distribution of Surplus

Proposal No. 2: Partial Amendments to the Articles of Incorporation

Proposal No. 3: Election of Seven (7) Directors

4. Matters concerning the convocation

- (1) If there is no indication for or against each proposal on the Voting Rights Exercise Form, the vote will be deemed to be for a proposal.
- (2) In the event that voting rights are exercised multiple times via the Voting Rights Exercise Form, the most recent one to arrive will be deemed valid.
- (3) In the event that voting rights are exercised multiple times via the Internet, etc., the most recent one to arrive will be deemed valid.
- (4) In the event that voting rights are exercised both via the Voting Rights Exercise Form and the Internet, etc., the vote via the Internet, etc., will be deemed valid.

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. To save resources, please bring this “Notice of Convocation” with you.
 - ◎ If exercising voting rights via proxy, you may designate one (1) other shareholder with voting rights to act as your proxy and exercise your voting rights. However, please understand that documentation proving agency privileges will be required to be submitted.
 - ◎ Of the documents to be provided with this Notice of Convocation, the “Statement of Changes in Equity” and the “Notes to Financial Statements” in the financial statements are posted on the Company’s website (<https://www.zenkoku.co.jp/>) in accordance with laws and regulations and Article 15 of the Company’s Articles of Incorporation, and therefore, these documents are not included in the documents attached to this Notice of Convocation. The financial statements included in the documents attached to this Notice of Convocation are a part of the financial statements that were audited by the Accounting Auditor and the Auditor & Supervisory Board Members when preparing the Accounting Audit Report and the Audit Report.
 - ◎ Any updates to the Reference Documents for the General Meeting of Shareholders, Business Report, or Financial Statements will be posted on the Company’s website (<https://www.zenkoku.co.jp/>).
 - ◎ On the day of the meeting, as a method to conserve electricity, employees will be wearing light clothing (“Cool Biz”). We ask that shareholders attend in light clothing as well.

(Appendix)

Business Report

(April 1, 2021 - March 31, 2022)

I Overview of the Company

1. Business Progress and Results

(1) Economic Environment and Business Environment

During the fiscal year ended March 31, 2022, as the domestic economy remained in a difficult situation due to the impact of the novel coronavirus infection, despite signs of a recovery in corporate earnings for some sectors, the Japanese economy witnessed weaknesses in employment and income conditions, as well as consumer spending, and its outlook remained uncertain.

In the housing market, backed by ongoing government policies designed to support housing acquisitions and the low interest rate environment for housing loans, the number of new housing starts exceeded the level of the same period of the previous fiscal year. The housing loan market also continued to recover similar to the housing market.

(2) Business Summary

In such a business environment, we have implemented various measures with the focus on “expansion of the business scale,” “expansion of business domains” and “enhancement of the corporate value,” which are the basic policies of our medium-term management plan “Beyond the Border.”

For the expansion of the business scale, we worked on strengthening our relationships with financial institutions and approaches to the existing housing loan market. In order to strengthen our relationships with financial institutions, in addition to holding briefing sessions and study sessions on our credit guarantee products to raise the utilization rate of partnering financial institutions, we have again implemented our reputed campaign to support sales efforts to acquire housing loans. In order to approach the existing housing loan market, we made efforts to take over guarantee liabilities from other companies and to acquire residential mortgage-backed securities (RMBS), among others.

For the expansion of business domains, we promoted initiatives to increase the number of users of the AI-based housing loan screening service that utilizes our wealth of know-how and data, which was launched in the fiscal year under review, as well as initiatives for new business development. Furthermore, to expand our business domains through the utilization of subsidiaries, we made efforts to secure subcontracted credit management services and cultivate niche markets for housing loan guarantee.

For the enhancement of the corporate value, we made efforts to resolve material issues (materiality) by improving corporate governance and creating a comfortable working environment, among others, and improved our disclosure of non-financial information.

As a result of such efforts, we recorded operating revenue of ¥48,842 million (up 2.1% year-on-year), operating income of ¥39,470 million (up 3.2% year-on-year), ordinary income of ¥40,551 million (up 4.0% year-on-year), and net income of ¥27,835 million (up 3.1% year-on-year), thus achieving growth in both revenue and profits.

Additionally, results of guarantees for the 42nd fiscal year were as follows.

(Amounts: institutions, guarantees, million yen)

Item	The 39th fiscal year ended March 31, 2019	The 40th fiscal year ended March 31, 2020	The 41st fiscal year ended March 31, 2021	The 42nd fiscal year ended March 31, 2022
Number of partnering financial institutions	750	739	744	733
Number of new guarantees granted	68,311	67,003	57,113	61,188
Amount of new guarantees granted	1,722,629	1,732,416	1,495,085	1,669,604
Outstanding guarantee exposure at the end of the period	12,717,625	13,706,421	14,629,759	15,356,458

- (Notes)
- Figures for the number of new guarantees granted and the amount of new guarantees are results of housing loans extended by private financial institutions.
 - The outstanding guarantee exposure at the end of the period for the 40th fiscal year ended March 31, 2020 includes ¥90,397 million for MINORI GUARANTEE Co., Ltd., the Company's subsidiary.
 - The outstanding guarantee exposure at the end of the period for the 41st fiscal year ended March 31, 2021 includes ¥81,823 million for MINORI GUARANTEE Co., Ltd. and ¥289,176 million for Tsukuba Shinyo Hoshō Co., Ltd., both of which are the Company's subsidiaries.
 - The outstanding guarantee exposure at the end of the period for the 42nd fiscal year ended March 31, 2022 includes ¥74,104 million for MINORI GUARANTEE Co., Ltd. and 271,027 million for Tsukuba Shinyo Hoshō Co., Ltd., both of which are the Company's subsidiaries.

2. Status of Capital Investments

Not applicable.

3. Status of Financing, etc.

Not applicable.

4. Status of Business Transfers, etc.

- (1) Status of Business Transfers, Absorption-type Splits, or Incorporation-type Splits

Not applicable.

- (2) Status of Acceptance of Business Transfers From Other Companies

Not applicable.

- (3) Status of Continuation of Rights Obligations Regarding Business of Other Companies due to Absorption-type Mergers or Absorption-type Splits

Not applicable.

- (4) Status of Acquisition or Disposal of Stock, Other Equity, or Share Acquisition Rights, etc., of Other Companies

Not applicable.

5. Trends in Assets and Income

(Amount: million yen)

Item	The 39th fiscal year ended March 31, 2019	The 40th fiscal year ended March 31, 2020	The 41st fiscal year ended March 31, 2021	The 42nd fiscal year ended March 31, 2022
Operating revenue	43,204	45,203	47,834	48,842
Ordinary income	35,169	35,760	38,991	40,551
Net income	24,134	24,430	27,002	27,835
Net income per share	350.92 yen	355.17 yen	392.53 yen	404.89 yen
Net assets	126,998	145,049	165,860	184,827
Total assets	321,232	372,968	396,261	415,814

(Note) Net income per share is calculated using the average number of outstanding shares for the fiscal year, minus treasury shares.

6. Issues to be Addressed

(1) Basic Management Policies

Under our management philosophy, “Helping customers realize their dreams and happiness by offering the highest-quality guarantee instruments and services to all customers who need credit guarantees, and contributing to the development of regional communities through our credit guarantee service business,” we aim to raising our corporate value and achieve long-term development and the growth of our business by implementing managerial measures from the standpoint of all stakeholders.

(2) Medium to long-term management strategies and issues

Regarding the environment surrounding the Company, the new housing market is expected to shrink on a long-term basis due to a decline in the population and the number of households in association with the falling birthrate and aging population. For the time being, however, we anticipate the number of new housing starts sustained at the current level and an invigorated second-hand housing/house renovation market.

Taking such a business environment into account, we have developed a medium-term management plan “Beyond the Border” for the three years from fiscal year 2020 to fiscal year 2022. This medium-term management plan sets out the vision “Based on the ‘credibility’ and ‘trust’ that we have built, we will establish a solid position as the leading guarantee provider in Japan,” based on which we will implement various measures based on the three basic policies of i) expansion of the business scale, ii) expansion of business domains, and iii) enhancement of the corporate value.

[Expansion of the business scale]

The domestic market for housing loans by private financial institutions is immense, with annual new loans of approximately ¥19 trillion and existing loans of approximately ¥180 trillion, and there is ample room for us to further expand the outstanding guarantee exposure.

In order to expand our market share, we will strengthen our relationships by offering products and digitally-driven services that meet the needs of more than 700 partnering financial institutions, and expand the scale of our business by developing new channels for housing loan applications through collaborations with non-financial companies. In addition, as a measure to expand the existing loan market, we will work to increase outstanding guarantee exposure by acquiring the shares of other guarantee companies and making them subsidiaries.

[Expansion of business domains]

We believe that the housing loan guarantee business, which is our core business, is expected to continue to grow steadily. We will leverage our unique strengths to expand our business domains and diversify our revenue sources.

Specifically, in addition to new business development that utilizes our wealth of know-how and data, we will work to expand our business domains through our subsidiaries. Overseas expansion will also continue to be studied from a long-term perspective.

[Enhancement of the corporate value]

Our outstanding guarantees exposure exceeds ¥15 trillion, leading to greater corporate social responsibility. We will raise our corporate value by making effective use of management resources and promoting operational efficiency, in addition to enhancing our non-financial information through such means as efforts to resolve material issues based on the “ZENKOKU HOSHO SDGs Declaration,” which was established in February 2021, in order to contribute to solving social issues through our credit guarantee business toward the realization of sustainable growth.

The Company asks for the continued support of shareholders.

7. Principal Businesses

Business category	Category
Credit guarantee business	Housing loan guarantees Education loan guarantees Card loan guarantees

8. Principal Business Locations

Category	Store name / Company name	Location
The Company	Headquarters	Chiyoda-ku, Tokyo
	Sales Department I, Head Office	Chiyoda-ku, Tokyo
	Sales Department II, Head Office	Chiyoda-ku, Tokyo
	Sapporo Branch	Chuo-ku, Sapporo-shi, Hokkaido
	Sendai Branch	Aoba-ku, Sendai-shi, Miyagi
	Yokohama Branch	Nishi-ku, Yokohama-shi, Kanagawa
	Niigata Office	Chuo-ku, Niigata-shi, Niigata
	Nagoya Branch	Naka-ku, Nagoya-shi, Aichi
	Kanazawa Branch	Kanazawa-shi, Ishikawa
	Osaka Branch	Chuo-ku, Osaka-shi, Osaka
	Hiroshima Branch	Naka-ku, Hiroshima-shi, Hiroshima
	Takamatsu Office	Takamatsu-shi, Kagawa
	Fukuoka Branch	Hakata-ku, Fukuoka-shi, Fukuoka
Miyazaki Office	Miyazaki-shi, Miyazaki	
Subsidiaries	Zenkoku Business Partner, K.K.	Koto-ku, Tokyo
	AKEBONO Servicer Co., Ltd.	Chuo-ku, Tokyo
	MINORI GUARANTEE Co., Ltd.	Chuo-ku, Tokyo
	Tsukuba Shinyo Hosho Co., Ltd.	Tsukuba-shi, Ibaraki

(Note) Effective May 1, 2021, AKEBONO Servicer Co., Ltd. relocated from Chiyoda-ku, Tokyo to Chuo-ku, Tokyo.

9. Status of Employees

Number of employees	Increase or decrease from previous fiscal year-end	Average age	Average years of service
271 persons	13 persons (increase)	37.6 years	10 years and 3 months

- (Notes) 1. Employees refer to all full-time employees, including three Executive Officers and two persons seconded from other companies, and do not include 22 persons seconded to outside the Company.
2. Employees do not include 79 contract, part-time, and temporary employees.

10. Principal Counterparties to Borrowings and Amount of Borrowings

Counterparties to borrowings	Loan balance
Syndicated loan	30,000 million yen

- (Note) The syndicated loan is a syndicated loan from five banks.

11. Status of Significant Parent Companies and Subsidiaries

- (1) Relationship with Parent Company
Not applicable.

- (2) Status of Significant Subsidiaries

Company name	Capital	Ownership	Main businesses
Zenkoku Business Partner, K.K.	9 million yen	100%	Contract, entrustment, and agency of clerical operations
AKEBONO Servicer Co., Ltd	516 million yen	100%	Claim management and collection based on the Act on Special Measures Concerning Claim Management and Collection Business
MINORI GUARANTEE Co., Ltd.	495 million yen	100%	Credit guarantee business
Tsukuba Shinyo Hosho Co., Ltd.	91 million yen	100%	Credit guarantee business

- (Note) The Company only has the four subsidiaries above, and they are not subject to consolidation.

- (3) Status of Wholly-owned Specified Subsidiaries as of the end of the fiscal year
Not applicable.

12. Other Significant Items Regarding Status of the Company

- Not applicable.

II Status of Shares (As of March 31, 2022)

1. **Total number of shares authorized to be issued** 160,000,000 shares
2. **Total number of shares outstanding** 68,871,790 shares
3. **Number of shareholders** 40,824 persons
4. **Major shareholders (Top 10)**

Shareholder name	Number of shares held (shares)	Ownership ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8,727,700	12.70
Fukoku Mutual Life Insurance Company	6,200,000	9.02
Meiji Yasuda Life Insurance Company	6,200,000	9.02
Custody Bank of Japan, Ltd. (Trust account)	4,852,900	7.06
TAIYO LIFE INSURANCE COMPANY	4,271,000	6.21
TAIYO FUND, L.P.	1,756,800	2.55
SMBC Nikko Securities Inc.	1,188,100	1.72
The Dai-ichi Life Insurance Company, Limited	1,074,800	1.56
SSBTC CLIENT OMNIBUS ACCOUNT	1,040,683	1.51
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	976,008	1.42

(Note) The ownership ratio is calculated after eliminating 567 shares of treasury stock, 72,400 shares held by the Employee Stock Ownership Plan (J-ESOP), and 84,000 shares held by the Board Benefit Trust, and fractional figures are rounded down to two decimal places.

5. Shares Issued to Company Officers as Consideration for Execution of Duties During the Term

Not applicable.

6. Other Important Items Regarding Stock

Based on the resolution at the 41st Annual General Meeting of Shareholders held on June 18, 2021, the Company has introduced a performance-based stock compensation plan (hereinafter the “Plan”) for Directors (excluding Outside Directors, and the same applies hereinafter), aimed at raising the awareness of Directors to contribute to enhancing the Company’s business performance on a medium- to long-term basis and improving corporate value, by clarifying the linkage between Directors’ compensation, etc., the Company’s performance, and the value of the Company’s stock, and having Directors share the profits and risks of fluctuations in stock prices with shareholders.

Under this Plan, the trust established with the money contributed by the Company (hereinafter “the Trust”) acquires shares of the Company, and the number of shares of the Company equivalent to the number of points the Company grants to each Director is issued to each of the Directors through the Trust.

The number of shares held by the trust account at the end of the fiscal year is 84,000 shares.

III Matters Regarding Share Acquisition Rights, etc., of the Company

- 1. Status of Share Acquisition Rights, etc. Held by Officers of the Company as of the Fiscal Year-end**
Not applicable.

(Note) On August 23, 2021, a transition was made to a performance-based stock compensation plan for holders of previously allotted, unexercised stock compensation-type stock options.

- 2. Status of Share Acquisition Rights, etc., Granted to Employees, etc., During the Term**
Not applicable.

- 3. Other Significant Items Regarding Share Acquisition Rights**
Not applicable.

IV. Company Officers

1. Status of Directors and Audit & Supervisory Board Members

(1) Directors and Audit & Supervisory Board Members

(As of March 31, 2022)

Name	Position and areas of responsibility within the Company	Significant concurrent positions
Eiji Ishikawa	President & Representative Director	
Takashi Yamaguchi	Senior Managing Director General Manager, Operations Headquarters	President & Representative Director, AKEBONO Servicer Co., Ltd. President & Representative Director, Zenkoku Business Partner, K.K.
Yuichi Aoki	Managing Director General Manager, Management Headquarters	President & Representative Director, MINORI GUARANTEE Co., Ltd. President & Representative Director, Tsukuba Shinyo Hosho Co., Ltd.
Keiichi Asada	Director General Manager, Sales Headquarters	Director, Zenkoku Business Partner, K.K.
Masahito Kamijo	Director (Outside Director)	Outside Director, Hakuto Co., Ltd. Outside Audit & Supervisory Board Member, MiraBiologics Inc.
Yoshiro Nagashima	Director (Outside Director)	Outside Director, KANADEN CORPORATION Audit & Supervisory Board Member, AKEBONO Servicer Co., Ltd. Audit & Supervisory Board Member, Tsukuba Shinyo Hosho Co., Ltd. Outside Auditor, NetLearning Holdings, Inc.
Tomoe Imado	Director (Outside Director)	Partner, Miura & Partners Outside Statutory Auditor, OneBe, Inc.
Mamoru Fujino	Full-time Audit & Supervisory Board Member	
Eri Itagaki	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Deputy Managing Partner, Itagaki C.P.A. & Associates Outside Director, NIITAKA Co., Ltd.
Takafumi Sato	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Member of the Supervisory Committee, The Norinchukin Bank
Hidehiko Suzuki	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	

- (Notes)
1. Directors Masahito Kamijo, Yoshiro Nagashima, and Tomoe Imado are Outside Directors.
 2. Audit & Supervisory Board Members Eri Itagaki, Takafumi Sato, and Hidehiko Suzuki are Outside Audit & Supervisory Board Members.
 3. Audit & Supervisory Board Member Eri Itagaki has many years of experience at a major audit firm and a certified public accountant and tax accountant firm, and has knowledge of finance and accounting.
 4. Directors Masahito Kamijo, Yoshiro Nagashima, and Tomoe Imado, and Audit & Supervisory Board Members Eri Itagaki, Takafumi Sato, and Hidehiko Suzuki have been registered as Independent Directors/Auditors as stipulated by the Tokyo Stock Exchange.

(2) Summary of Liability Limitation Agreements

The Company's Articles of Incorporation allows for the limitation of liability of Article 423, Paragraph 1 of the Companies Act, for its Directors and Audit & Supervisory Board Members excluding Executive Directors as stipulated by Article 427, Paragraph 1 of the same Act, and the Company has concluded liability limitation agreements with Messrs. Masahito Kamijo, Yoshiro Nagashima, Takafumi Sato, and Hidehiko Suzuki, and Meses. Tomoe Imado and Eri Itagaki.

The limit of liability for Directors and Audit & Supervisory Board Members under the liability limitation agreement is 2 million yen or the lower liability limit stipulated in laws and regulations, whichever is higher.

(3) Summary of Indemnity Agreement

Not applicable.

(4) Summary of Directors and Officers Liability Insurance Agreement

The Company has concluded a Directors and Officers Liability Insurance Agreement with an insurance company covering all Directors, Audit & Supervisory Board Members and Executive Officers, etc. of the Company and its four subsidiaries (Zenkoku Business Partner, K.K., AKEBONO Servicer Co., Ltd., MINORI GUARANTEE Co., Ltd., and Tsukuba Shinyo Hosho Co., Ltd.) as the insured parties, and the Company bears the entire insurance premium. The agreement covers litigation expenses and compensation for loss or damage to be borne by insured parties that arise from third party litigation, shareholder derivative litigation, and corporate litigation.

However, there are certain exemptions. For example, loss or damage caused by an insured party illegally obtaining private benefits or favors, or loss or damage caused by acts committed by an insured party in the knowledge that the act violates laws and regulations will not be covered.

(5) Matters Concerning Policies for Determining the Details of Compensation, etc. for Individual Directors and Audit & Supervisory Board Members

1) Method for determining policies

At the Board of Directors meeting held on June 18, 2021, the Company resolved to adopt policies concerning the determination of the details of compensation, etc. for individual Directors.

2) Method for determining compensation, etc.

The process for determining compensation, etc. for the Company's Directors shall be determined by the Board of Directors following consultations with the Nomination and Compensation Committee and based on their advice and recommendations, and the Board of Directors has the authority to make such decisions. The Nomination and Compensation Committee is chaired by an independent Outside Director, and is comprised of three members in total, two independent Outside Directors and one internal Director, thereby ensuring the fairness, transparency, and objectivity of the procedures regarding decisions on compensation, etc. for Directors. Compensation, etc. for Audit & Supervisory Board Members shall be determined based on discussions among the Audit & Supervisory Board.

3) Summary of compensation system

The Company's compensation, etc. for Executive Directors is comprised of basic compensation for each position in accordance with the level of responsibility, and performance-based compensation, etc. that varies depending on business results and other factors. Performance-based compensation, etc. is comprised of performance-based bonuses paid in cash, and performance-based stock compensation paid in shares.

Performance-based compensation, etc. is included as a part of compensation, etc. in order for Executive Directors to share the awareness in profit due to fluctuations in business performance and stock prices with shareholders, and to strengthen their awareness of improving corporate value.

A resolution on performance-based stock compensation was adopted at the 41st Annual General Meeting of Shareholders held on June 18, 2021.

Compensation, etc. for Outside Directors and Audit & Supervisory Board Members consists only of basic compensation, from the perspective of judging the appropriateness and legality of business execution from an objective standpoint independent from business execution and ensuring appropriate corporate supervisory and audit functions.

4) Linked indicators

The Company places importance on management indicators such as operating income in a single fiscal year for the short-term, and the outstanding guarantee exposure for the medium- to long-term, for the sustainable development of its business. Consequently, in terms of the linked indicators for performance-based compensation, etc., performance-based bonuses, which by its nature is a short-term incentive compensation, etc., is based on operating income, while performance-based stock compensation, which by its nature is a medium- to long-term incentive compensation, etc., is based on the outstanding guarantee exposure, etc.

5) Percentage of performance-based compensation, etc. in compensation, etc.

The composition of compensation, etc. for the Company's Directors and Audit & Supervisory Board Members is as follows.

Officer category	Basic compensation	Performance-based compensation, etc.	
		Bonuses	Stock
Executive Directors	60%	16%	24%
Outside Directors Audit & Supervisory Board Members	100%	—	—

(Note) The percentage of compensation, etc. for Executive Directors represents the percentage of the performance-based compensation, etc., when the achievement of the performance indicator plan is 100%.

6) Upper limit on compensation

At the 41st Annual General Meeting of Shareholders held on June 18, 2021, the upper limit on compensation for Directors was resolved not to exceed 600 million yen per year (of which, 50 million yen for Outside Directors, excluding salary for employees concurrently serving as Director), and the upper limit on compensation for Audit & Supervisory Board Members was resolved not to exceed 240 million yen per year. The number of Directors at the conclusion of such Annual General Meeting of Shareholders is seven (including three Outside Directors) and the number of Audit & Supervisory Board Members is four (including three Outside Audit & Supervisory Board Members).

Separately, for performance-based stock compensation, it was resolved at the 41st Annual General Meeting of Shareholders held on June 18, 2021, that the maximum amount of contribution as funds to acquire shares of the Company shall be no more than 200 million yen for the applicable period of two fiscal years (if the applicable period is extended, the amount of up to the value derived by multiplying the number of fiscal years of the applicable period for the extended portion by 100 million yen), and the maximum amount of points granted shall be no more than 40,000 points per fiscal year (one point shall be equivalent to one share of the Company). These maximums do not include grants made as a transitional measure from the abolished stock compensation-type stock option system. The number of Directors eligible to the performance-based stock compensation plan at the conclusion of such Annual General Meeting of Shareholders is four.

7) Method for calculating performance-based bonuses

The method for calculating performance-based bonuses is as follows.

<Total amount of payments>

Total amount of payments = bonus base amount (*1) x payment coefficient by performance achievement (*2)

*1 Bonus base amount

Eligible persons	Base amount	Maximum amount
Total of four Executive Directors	30,880 thousand yen	37,056 thousand yen

***2 Payment coefficient by performance achievement**

Performance achievement	Payment coefficient	Performance achievement	Payment coefficient
Less than 50%	0	95% or more but less than 105%	1.0
50% or more but less than 75%	0.5	105% or more but less than 120%	1.1
75% or more but less than 85%	0.8	120% or more	1.2
85% or more but less than 95%	0.9		

- (Notes) 1. Formula for calculating performance achievement: operating income (actual) ÷ operating income (planned).
 2. Operating income (planned) is operating income (38,350 million yen in the fiscal year ended March 31, 2022, 40,250 million yen in the fiscal year ending March 31, 2023) for each fiscal year (April 1 of each year to March 31 of the following year) in the medium-term management plan (announced on March 16, 2020).

<Amount of individual payments>

Amount of individual payments = total amount of payments ÷ sum of position coefficient for eligible Directors x position coefficient (*3)

***3 Position coefficient**

Position	Coefficient	Position	Coefficient
President & Representative Director	1.000	Managing Director	0.533
Senior Managing Director	0.640	Director	0.400

- (Note) The coefficient for Managing Director has 15 digits to the right of the decimal point, but is shown to the third decimal place.

8) Performance-based stock compensation

The Company has introduced a performance-based stock compensation plan (hereinafter the “Plan”), aimed at raising the awareness of Executive Directors to contribute to enhancing the Company’s business performance on a medium- to long-term basis and improving corporate value, by clarifying the linkage between Executive Directors’ compensation, the Company’s performance, and the value of the Company’s stock, and having Executive Directors share the profits and risks of fluctuations in stock prices with shareholders. Under this Plan, the trust established with the money contributed by the Company (hereinafter, the “Trust”) acquires shares of the Company, and the number of shares equivalent to the number of points the Company grants to each Director is issued to each of the Directors through the Trust. The Plan covers the period of the medium-term management plan (hereinafter, the “Applicable Period”). The amount of compensation for the Company’s Directors who are in office during the Applicable Period shall be determined within a range of 0% to 100% depending on their position and the achievement of the planned performance values (outstanding guarantee exposure, etc.) during the Applicable Period, and points shall be granted in accordance with the share issuance rules established by the Board of Directors. The maximum total amount of points granted shall be no more than 40,000 points per fiscal year (one point shall be equivalent to one share of the Company).

As a general rule, the Directors receive the shares of the Company according to accumulated points at the time of their retirement from office.

9) Targets and results of evaluation indicators for performance-based compensation, etc.

The fiscal year under review (April 1, 2021 - March 31, 2022)

Evaluation indicator	Planned value	Actual value (million yen)
Operating income	38,350 million yen	39,470 million yen
Outstanding guarantee exposure	15,857,000 million yen	15,356,458 million yen

- 10) Reason for the Board of Directors to have determined that the details of compensation, etc. for individual Directors observe the decision policies

The details of compensation, etc. for individual Directors for the fiscal year under review are discussed by the Nomination and Compensation Committee in consultation with the Board of Directors and advice and recommendations are made to the Board of Directors. The Board of Directors determines compensation, etc. for individual Directors after reviewing the advice and recommendations. Therefore, the Board of Directors has determined that compensation, etc. observes the policies for determining compensation, etc. for individual Directors.

(6) Total amount of Compensation to Directors and Audit & Supervisory Board Members

Category	Persons	Total compensation, etc. (million yen)	Amount of compensation, etc., by type (million yen)		
			Monetary compensation, etc.		Non-monetary compensation, etc.
			Basic compensation	Performance-based compensation, etc.	
			Bonuses	Stock	
Directors (Of which, Outside Directors)	7 persons (3 persons)	187 (24)	156 (24)	30 (—)	— (—)
Audit & Supervisory Board Members (Of which, Outside Audit & Supervisory Board Members)	4 persons (3 persons)	41 (20)	41 (20)	— (—)	— (—)
Total (Of which, Outside Officers)	11 persons (6 persons)	229 (45)	198 (45)	30 (—)	— (—)

- (Notes)
- At the 41st Annual General Meeting of Shareholders on June 18, 2021, a resolution was adopted to establish an upper limit on compensation to Directors (basic compensation and bonuses) of 600 million yen per year (of which, 50 million yen for Outside Directors, excluding compensation as employees concurrently serving as Director).
 - At the 41st Annual General Meeting of Shareholders on June 18, 2021, a resolution was adopted to establish an upper limit on compensation to Audit & Supervisory Board Members of 240 million yen per year.
 - At the 41st Annual General Meeting of Shareholders on June 18, 2021, a resolution was adopted regarding performance-based stock compensation, that the maximum amount of contribution as funds to acquire shares of the Company shall be no more than 200 million yen for the Applicable Period for two fiscal years (if the Applicable Period is extended, the amount of up to the value derived by multiplying the number of fiscal years of the Applicable Period for the extended portion by 100 million yen), and the maximum amount of points granted shall be no more than 40,000 points per fiscal year (one point shall be equivalent to one share of the Company).
 - The number of persons as of March 31, 2022 is seven Directors and four Audit & Supervisory Board Members.
 - As of August 23, 2021, the Company has managed and operated an integrated stock compensation plan by converting its stock compensation-type stock option plan to a performance-based stock compensation plan. The unexercised share acquisition rights as stock compensation-type stock options that have already been granted to Directors are to be waived by the Directors concerned. As a transitional measure from stock compensation-type stock options, Directors have been granted points equivalent to the number of shares subject to the waived stock acquisition rights (equivalent of 47,780 shares in total) under the performance-based stock compensation plan. These points are not included in the amount of performance-based stock compensation stated in the table above since, similar to the stock compensation-type stock options before the transition, shares of the Company are essentially granted for the first time after retiring from office, and the amount of compensation for the stock compensation-type stock options before the transition has been disclosed.
 - The amount of bonuses for monetary compensation, etc. is a provision of reserve for the fiscal year under review.
 - Performance-based stock compensation for non-monetary compensation, etc. is not recorded as expenses in the fiscal year under review.
 - In addition to the above, the amount of compensation Outside Officers received from subsidiaries of the Company as Officers was 6,120 thousand yen.

2. Matters Regarding Outside Officers

(1) Status of Significant Concurrent Positions of Outside Officers

Name	Position	Status of Significant Concurrent Positions
Masahito Kamiyo	Outside Director	Outside Director, Hakuto Co., Ltd. Outside Audit & Supervisory Board Member, MiraBiologics Inc.
Yoshiro Nagashima	Outside Director	Outside Director, KANADEN CORPORATION Audit & Supervisory Board Member, AKEBONO Servicer Co., Ltd. Audit & Supervisory Board Member, Tsukuba Shinyo Hosho Co., Ltd. Outside Auditor, NetLearning Holdings, Inc.
Tomoe Imado	Outside Director	Partner, Miura & Partners Outside Statutory Auditor, OneBe, Inc.
Eri Itagaki	Outside Audit & Supervisory Board Member	Deputy Managing Partner, Itagaki C.P.A. & Associates Outside Director, NIITAKA Co., Ltd.
Takafumi Sato	Outside Audit & Supervisory Board Member	Member of the Supervisory Committee, The Norinchukin Bank
Hidehiko Suzuki	Outside Audit & Supervisory Board Member	

(Notes) 1. AKEBONO Servicer Co., Ltd. and Tsukuba Shinyo Hosho Co., Ltd. are wholly-owned subsidiaries of the Company.

2. There are no significant transactions or other relationships between the Company and other companies at which concurrent positions are held.

(2) Conflicts of Interest with Outside Officers

The Company does not have any conflicts of interest with Outside Officers concerning personal relationships, capital relationships, transaction relationships, or other relationships. Furthermore, the Company, persons involved in business execution at designated related parties, or Officers (excluding persons involved in business execution) do not have family relationships, transaction relationships, or other relationships that constitute conflicts of interest with Outside Officers.

(3) Principal Activities of Outside Officers During the Fiscal Year Under Review

Name	Position	Status of Comments
Masahito Kamiyo	Outside Director	Attended all 14 Board of Directors meetings during the fiscal year under review. Based primarily on his wealth of experience and high level of knowledge in finance and corporate management, he actively asked questions at the Board of Directors meetings and provided suggestions from a specialist perspective, thereby fulfilling his expected role of making decisions on important management matters of the Company and supervising the execution of duties.
Yoshiro Nagashima	Outside Director	Attended all 14 Board of Directors meetings during the fiscal year under review. Based primarily on his wealth of experience and wide range of knowledge in corporate management, he actively asked questions at the Board of Directors meetings and provided suggestions from a specialist perspective, thereby fulfilling his expected role of making decisions on important management matters of the Company and supervising the execution of duties.
Tomoe Imado	Outside Director	Attended all 14 Board of Directors meetings during the fiscal year under review. Based primarily on her wealth of experience and specialized knowledge in judicial affairs, she actively asked questions at the Board of Directors meetings, and provided suggestions from a specialist perspective, thereby fulfilling her expected role of making decisions on important management matters of the Company and supervising the execution of duties.
Eri Itagaki	Outside Audit & Supervisory Board Member	Attended all 14 Board of Directors meetings and 13 Audit & Supervisory Board meetings during the fiscal year under review. At Board of Directors meetings and Audit & Supervisory Board meetings, she made appropriate comments based on her wealth of experience and high level of knowledge of accounting acquired through many years of experience at a major audit firm and a certified public accountant and tax accountant firm. Furthermore, under the audit policies defined by the Audit & Supervisory Board, she conducted audits, etc., of each department, adequately fulfilling audit functions as an Audit & Supervisory Board Member.
Takafumi Sato	Outside Audit & Supervisory Board Member	Attended all 14 Board of Directors meetings and 13 Audit & Supervisory Board meetings during the fiscal year under review. At Board of Directors meetings and Audit & Supervisory Board meetings, he made appropriate comments based on his wealth of experience and high level of knowledge acquired through many years of experience at the Ministry of Finance and service in important posts such as Commissioner of the Financial Services Agency. Furthermore, under the audit policies defined by the Audit & Supervisory Board, he conducted audits, etc., of each department, adequately fulfilling audit functions as an Audit & Supervisory Board Member.
Hidehiko Suzuki	Outside Audit & Supervisory Board Member	Attended all 14 Board of Directors meetings and 13 Audit & Supervisory Board meetings during the fiscal year under review. At Board of Directors meetings and Audit & Supervisory Board meetings, he made appropriate comments based on his wealth of experience and high level of knowledge acquired through experience of holding a number of important positions at the Ministry of Finance and Financial Services Agency and managing director of a financial institution. Furthermore, under the audit policies defined by the Audit & Supervisory Board, he conducted audits, etc., of each department, adequately fulfilling audit functions as an Audit & Supervisory Board Member.

3. Other Information Regarding Independence of Outside Officers

Concerning criteria for assessing independence of Outside Directors, the Company determines, under the Basic Policy on Corporate Governance, that an Outside Directors is independent when he or she does not contravene the requirements of the Independence Standard stipulated by the Tokyo Stock Exchange.

V. Accounting Auditor

1. Accounting Auditor's Name

Grant Thornton Taiyo LLC

2. Accounting Auditor's Compensation, etc.

	Amount paid
Compensation, etc., for the Accounting Auditor for the fiscal year under review	29 million yen
Total cash and other profits payable by the Company to Accounting Auditor	29 million yen

- (Notes)
1. As a result of confirmation and assessment of the contents of the audit plan for the Accounting Auditor, their performance of duties, and calculation of remuneration estimates, the Audit & Supervisory Board agreed to compensation, etc., for the Accounting Auditor based on their judgment that is reasonable and appropriate in order to maintain and improve audit quality.
 2. Under the audit agreement between the Company and its Accounting Auditor, compensation for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not strictly separated, and otherwise cannot be separated. Consequently, the above amount reflects total compensation.

3. Description of Non-Audit Services

Not applicable.

4. Policy Regarding Determination of Termination or Nonrenewal of Appointment of Accounting Auditors

In the event that significant doubt is cast upon the ability of the Accounting Auditor to continue to perform its duties, the Company's policy is for a resolution of the Audit & Supervisory Board to present a proposal to a General Meeting of Shareholders to either terminate or not renew the agreement.

5. Liability Limitation Agreement

Not applicable.

6. Summary of Indemnity Agreement

Not applicable.

VI. Company's Systems and Policies

1. System to ensure proper execution of business

At a meeting held on May 1, 2006, the Board of Directors decided upon a basic policy toward creating systems to ensure proper execution of business, based on Article 362, Paragraph 4, Item 6 of the Companies Act and Article 100, Paragraph 1 and Paragraph 3 of the Ordinance for Enforcement of the Companies Act, and most recently, partially revised the basic policy at a meeting held on February 5, 2018.

The contents are as follows.

- (1) System to ensure that Directors' and employees' execution of duties complies with law and regulations and the Articles of Incorporation
 - 1) The Board of Directors and Directors recognize and practice compliance with laws and regulations as a basic principle of all corporate actions based on the Corporate Code of Ethics and Code of Conduct with the basic philosophy of the core principle of compliance with laws and regulations, and ensure officers and employees have a thorough awareness of compliance so that it is established as the corporate culture.
 - 2) The Board of Directors and Directors, in accordance with Compliance Regulations, establish and reinforce compliance systems by means such as the establishment of the General Compliance Department and General Manager in charge of Compliance, and a Compliance Committee, which is a monitoring institution.
 - 3) The Board of Directors and Directors, in accordance with Compliance Regulations, develop a compliance program for each fiscal year, which is a specific implementation plan. In addition, General Compliance Department prepares manuals, etc. for compliance, and enhance effectiveness of compliance by fostering awareness through training, etc.
 - 4) The Board of Directors and Directors, in accordance with the Whistle-blower Regulations, assign third parties as external contact points, in addition to internal contact points. If officers and employees identified material facts concerning compliance, those officers and employees shall take appropriate measures using these contact points.
- (2) System for storage and management of information related to Directors' execution of duties
 - 1) In line with Regulations on the Storage of Documents and related detailed regulations, etc., the Company will record information relating to Directors' execution of duties in document form or as electronic media, and store, manage, and utilize such information in an appropriate manner.
 - 2) Directors and Audit & Supervisory Board Members may consult these records in the form of documents and electronic media at any time.
- (3) Regulations or any other systems for management of risk of loss (risk management)
 - 1) The Board of Directors and Directors, under Risk Management Regulations, establish and reinforce risk management systems by means such as the General Risk Department and General Manager in Charge of Risk Management, and the establishment of a Risk Management Committee, which is a monitoring institution.
 - 2) In order to address each risk intrinsic to our business operation, the Board of Directors and Directors, striking an appropriate balance with return, etc., conduct risk management by quantifying and integrating credit risks, market risks and operational risks (system risk and administrative risk) to compare them with the operational capacity (risk capital) of the Company.
 - 3) Based on the "Regulations for Crisis Management" and "Regulations for Business Continuity," the Company will strive to strengthen and enrich its crisis management structure by thorough implementation of crisis control and efforts to maintain external credit by early recovery of business operations in case of business interruption.
- (4) System to ensure that Directors' execution of duties is efficient
 - 1) In order to establish company-wide targets shared by Directors and employees, the Company clarifies management issues in light of changes in the external and internal environments, and formulates a Medium-term Management Plan for a period of three fiscal years.
 - 2) Based on the Medium-term Management Plan, the Board of Directors and Directors set business results targets and efficient budgets for each business division (branch office) every fiscal year, and in order to make functional a PDCA cycle to advance and achieve these goals, appropriate

- distribution of management resources will be made to each business division according to the basic risks and profitability of operation.
- 3) The status of business execution at each business department (branch office) is reported regularly to the Board of Directors, deliberations are held, and measures are taken as necessary.
 - 4) Regarding monthly business performance, performance against targets is reported to the Board of Directors each month, and in the event that the result differs from the target figure, the reason for the difference is reported and measures to ensure the achievement of targets are discussed.
 - 5) The Director in charge of each business division (branch office) will maintain regulations regarding division of operations and delegation of duties, and while cooperating with each business division (branch office), implement efficient operational management such that control functions are effectively exhibited.
- (5) System to ensure proper business execution within the Company group
 - 1) The Company establishes a system concerning reporting to the Company of matters regarding execution of duties by Directors of subsidiaries. Particularly, the Company takes measures to increase the effectiveness of internal control systems at subsidiaries and provides the necessary guidance and support that enable reporting the result of these efforts to the Parent.
 - 2) The Company establishes regulations or any other systems for management of risk of loss at subsidiaries.
 - 3) The Company establishes a system that ensures efficient execution of duties by Directors, etc. of its subsidiaries.
 - 4) The Company establishes a system that ensures execution of duties by Directors, etc. and employees of subsidiaries is in compliance with laws and regulations and the Articles of Incorporations.
 - (6) Matters relating to employees assigned to assist Audit & Supervisory Board Members in their duties, in the event that Audit & Supervisory Board Members have requested such employees
 - 1) Directors appoint Audit & Supervisory Board Member staff whose duty is to assist Audit & Supervisory Board Members with audits.
 - 2) Employees appointed as Audit & Supervisory Board Member staff focus solely on their duty to assist Audit & Supervisory Board Members with audits.
 - (7) Matters relating to the independence of employees assigned to assist Audit & Supervisory Board Members from Directors, and matters relating to ensuring effectiveness of directions to employees assigned to assist Audit & Supervisory Board Members
 - 1) Concerning personnel transfers, etc. regarding Audit & Supervisory Board Member staff, the Company hears and respects views of Audit and Supervisory Board Members, and ensure independence from Directors.
 - 2) Audit & Supervisory Board Member staff shall carry out their duties under the direction of Audit & Supervisory Board Member, and do not receive directions from Directors, etc.
 - (8) Systems described below and other systems related to reports to Audit & Supervisory Board Members of the Company
 - 1) The Company establishes systems to allow Directors and employees to report to Audit & Supervisory Board Members. Especially, a system shall be established that allows matters that have a significant impact on the Company or its subsidiaries and the status of matters that raise suspicions related to compliance to be quickly reported to Audit & Supervisory Board Members.
 - 2) The Company establishes systems to allow Directors, Audit & Supervisory Board Members and employees of subsidiaries or persons that receive reports therefrom to report to Audit & Supervisory Board Members. Especially, a system shall be established that allows Directors or employees of subsidiaries to quickly report to Audit & Supervisory Board Members matters that have a significant impact on the Company or its subsidiaries and the status of matters that raise suspicions related to compliance.
 - (9) System to ensure that persons reporting to Audit & Supervisory Board Members not be treated unfavorably because of the report
 - 1) In order to assure reliability of the whistle-blower system, the Company prohibits to treat whistle-

blowers that made the report unfavorably, and thoroughly inform Directors and employees to that effect.

- (10) Matters concerning a policy with regard to treatment of costs and liabilities incurred on execution of duties by Audit & Supervisory Board Members
 - 1) Audit & Supervisory Board Members, in accordance with Standards for Audits by Audit & Supervisory Board Members, appropriate a budget for costs that are necessary for their execution of duties in advance. However, Audit & Supervisory Board Members may subsequently request reimbursement for costs incurred in emergent or incidental circumstances.
- (11) Other systems to ensure Audit & Supervisory Board Members' audits are effective
 - 1) The Representative Director regularly holds meetings with Audit & Supervisory Board Members to exchange opinions on matters such as issues that the Company should address, the status of improvement of environment for audit by Audit & Supervisory Board Members, and important audit issues.
 - 2) A three-pronged Auditor Liaison Committee comprised of Audit & Supervisory Board Members, the Internal Auditing Department, and the Accounting Auditor is regularly held to exchange opinions on the results of audits and other businesses.
- (12) System to ensure reliability of financial reporting and to provide such reporting in an appropriate and timely manner
 - 1) The Company provides reliable financial reporting to all stakeholders including shareholders in an appropriate and timely manner, in response to the internal control reporting system regarding financial reporting under the Financial Instruments and Exchange Act.
 - 2) The Company recognizes importance of the role of internal control over financial reporting, and appropriately establishes and operates basic components of internal control (i.e., control environment, risk assessment and response, control activities, information and communication, monitoring, and response to IT).
 - 3) The Company determines a department in charge of related businesses so that internal control over financial reporting works effectively.
- (13) System to eliminate antisocial forces
 - 1) The Company establishes a basic policy and strives to establish an internal consensus for dealing with antisocial forces, in order to prevent the damage caused by so-called antisocial forces, namely groups or individuals that use violence, force, and fraudulent methods in the pursuit of economic gain.
 - 2) The Company ensures Directors and employees have a thorough awareness of the basic policy for dealing with antisocial forces, while also taking a firm stance against antisocial forces and completely forbidding any relationship with such forces.

2. Overview of the status of implementation of systems to ensure proper execution of business

Overview of the status of implementation of systems to ensure proper execution of business is as follows:

- (1) Matters concerning compliance
 - Under the Compliance Regulations, the Company, by developing a compliance program, has held regular internal training sessions, position-based education sessions and periodic testing according to job classes, and has made efforts to ensure thorough understanding and awareness among officers and employees.
 - Compliance Committee has met monthly in principle to monitor the status of implementation of the compliance program, and to discuss and determine important matters concerning compliance to report to the Board of Directors.
 - Under the Whistle-blower Regulations, the Company has set up multiple external contact points such as a law firm, in addition to an internal contact point to reinforce the consulting system.
- (2) Matters concerning risks
 - Risk Management Committee has met monthly in principle to review the status of occurrence of each risk, status of management and status of implementation of risk management system, analyze risks from various viewpoints including an analysis utilizing the comprehensive risk management system, and make reports to the Board of Directors.
 - The Company has formulated Regulations for Crisis Management that stipulate establishment of crisis management headquarters and Regulations for Business Continuity that stipulate the way of business resumption upon the occurrence of events affecting business continuity such as natural disasters, and has established a system for emergency preparedness.
- (3) Matters concerning execution of duties by Directors
 - The Company has appropriately been storing and managing documents related to Directors' execution of duties in accordance with Regulations on the Storage of Documents and related detailed regulations, etc. Such documents have been made available to Directors and Audit & Supervisory Board Members at any time.
 - The Board of Directors has been receiving reports regarding the status of implementation of the business plan for every quarter, and regarding comparison of budget plan and actual results for every month, and has been overseeing efficient execution of duties by Directors. In addition, the Board of Directors has discussed measures to be taken as necessary, in the event that the result differs from the budget plan.
- (4) Matters concerning Audit & Supervisory Board Members
 - In order to facilitate activities of Audit & Supervisory Board Members, the Company has appointed one dedicated Audit & Supervisory Board Member staff whose duty is to assist Audit & Supervisory Board Members with audits. The appointment of the Audit & Supervisory Board Member staff has been decided in consultation with Audit & Supervisory Board Members, and independence has been ensured for such appointment.
 - Full-time Audit & Supervisory Board Members, under the audit policies and plan developed by the Audit & Supervisory Board, have attended important meetings including the meetings of the Board of Directors and the management meetings, and conducted audits of execution of duties by Directors regarding overall management and individual matters, through conducting interviews to, and receiving reports from, each department as necessary. Also monthly meetings have been held among President & Representative Director, Accounting Auditor and the Internal Auditing Department to exchange opinions.

Balance Sheet
(As of March 31, 2022)

(Amount: million yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	185,798	Current liabilities	30,775
Cash and deposits	169,024	Unearned revenue	16,998
Right to reimbursement	13,097	Deposits received	34
Securities	10,211	Accounts payable - other	1,287
Accounts receivable - other	186	Income taxes payable	6,536
Prepaid expenses	58	Provision for bonuses	325
Other	833	Provision for bonuses for directors (and other officers)	30
Allowance for doubtful accounts	(7,612)	Provision for loss on guarantees	5,356
Non-current assets	230,016	Provision for shareholder benefit program	163
Property, plant and equipment	262	Other	42
Buildings	259	Non-current liabilities	200,212
Accumulated depreciation	(165)	Long-term borrowings	30,000
Vehicles	56	Long-term unearned revenue	169,876
Accumulated depreciation	(34)	Provision for share-based remuneration	83
Tools, furniture and fixtures	516	Provision for share awards for directors (and other officers)	253
Accumulated depreciation	(374)	Total liabilities	230,987
Land	4	Net assets	
Intangible assets	606	Shareholders' equity	184,770
Software	601	Share capital	10,703
Software in progress	1	Capital surplus	637
Other	3	Legal capital surplus	637
Investments and other assets	229,147	Retained earnings	174,070
Investment securities	197,322	Legal retained earnings	2,055
Shares of subsidiaries and associates	7,488	Other retained earnings	172,015
Long-term loans receivable	3,635	Reserve for loss on guarantees	144,100
Long-term time deposits	16,000	Retained earnings brought forward	27,915
Long-term prepaid expenses	148	Treasury shares	(640)
Prepaid pension cost	13	Valuation and translation adjustments	56
Deferred tax assets	3,897	Valuation difference on available- for-sale securities	56
Other	640	Total net assets	184,827
Total assets	415,814	Total liabilities and net assets	415,814

Statement of Income
(April 1, 2021 - March 31, 2022)

(Amount: million yen)

Description	Amount	
Operating revenue		
Income guarantee fee	48,681	
Other income	160	48,842
Operating expenses		
Provision for loss on guarantees	2,535	
Provision of allowance for doubtful accounts	(364)	
Salaries, allowances and bonuses	1,718	
Provision for bonuses	325	
Taxes and dues	993	
Commission expenses	1,040	
Depreciation	312	
Other	2,809	9,371
Operating income		39,470
Non-operating income		
Interest income	137	
Interest on securities	1,614	
Dividend income	59	
Other	63	1,874
Non-operating expenses		
Interest expenses	787	
Commission expenses	2	
Other	3	793
Ordinary income		40,551
Extraordinary income		
Gain on reversal of share acquisition rights	178	178
Extraordinary losses		
Loss on sales of investment securities	18	
Loss on valuation of shares of subsidiaries and associates	185	
Provision for share awards for directors (and other officers)	253	456
Income before income taxes		40,273
Income taxes - current	12,222	
Income taxes - deferred	215	12,437
Net income		27,835

Independent Auditor's Report
(English Translation)

May 12, 2022

To the Board of Directors
ZENKOKU HOSHO Co., Ltd.

Grant Thornton Taiyo LLC
Tokyo Office
Certified Public Accountant
Designated Limited Liability Partner Kenji Namiki [Seal]
Engagement Partner
Certified Public Accountant
Designated Limited Liability Partner Daisuke Noda [Seal]
Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in equity and the related notes, and the related supplementary schedules of ZENKOKU HOSHO Co., Ltd. (the "Company") for the 42nd fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Related Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Statements

Other statements consist of the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other statements. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the reporting process for the other statements.

Our audit opinion on the financial statements does not include the other statements, and we express no opinion on the other statements.

Our responsibility in the audit of the financial statements and the related supplementary schedules is to read through the other statements and, in the course of that reading, to consider whether there are material differences between the other statements and the financial statements or our knowledge obtained in the audit, and to pay attention to whether there is any indication of material errors in the other statements besides such material differences.

If, based on the work we have performed, we determine that there are material errors in the other statements, we are required to report those facts.

We have no other matters to report in respect to the other statements.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the related supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the related supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Related Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the related supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the related supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the related supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the related supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the related supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the related supplementary schedules in the audit report, or if the notes to the financial statements and the related supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the related supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the related supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the related supplementary schedules including related notes, and whether the financial statements and the related supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or

eliminate obstacles.

Interest

Neither Grant Thornton Taiyo LLC nor any of the Engagement Partners has any interest in the Company which should be disclosed under the provisions of the Certified Public Accountants Act.

Audit Report

The Audit & Supervisory Board, upon deliberation, prepared this audit report regarding the Directors' execution of their duties during the 42nd fiscal year from April 1, 2021 to March 31, 2022, based on the audit reports prepared by each Audit & Supervisory Board Member and hereby reports as follows:

1. Auditing Method Employed by Audit & Supervisory Board Members and the Audit & Supervisory Board and Details Thereof

- (1) The Audit & Supervisory Board established audit policies, audit plan, etc. and received reports from all the Audit & Supervisory Board Members regarding the execution of audits and the results thereof. In addition, we requested reports, and explanations as necessary, from Directors, etc. and the Accounting Auditor regarding the execution of their duties.
- (2) In accordance with the audit policies, established by the Audit & Supervisory Board, and pursuant to audit policies, audit plan, etc., we attempted communication with Directors, the Audit Department, and other employees, etc. while utilizing means via telephone lines or the Internet, etc., and worked to gather information and establish an auditing environment, and carried out audits in the following manner:
 1. We attended the Board of Directors' meetings and other important meetings, received reports from the Directors and other employees, etc. regarding the execution of their duties, requested explanations as necessary, inspected documents, etc., related to important decisions, and examined the operations and assets at the Company's headquarters and principal offices. With regard to the Company's subsidiary, the Audit & Supervisory Board attempted communication with its Directors, Audit & Supervisory Board Members, etc., and received report as necessary from the subsidiary.
 2. With respect to the resolution of the Board of Directors concerning the development of the system to ensure the compliance of Directors with laws, regulations and the Articles of Incorporation in the execution of their duties described in the Business Report and other systems required to ensure the properness of the operations of corporate group consisting of joint stock company (kabushiki-kaisha) and its subsidiaries as stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, as well as the system (internal control system) developed based on said resolution of the Board of Directors, we received regular reports regarding the status of implementation and operation thereof from the Directors and other employees, sought explanations as necessary, and expressed opinion thereon.
 3. We monitored and verified whether the Accounting Auditor had maintained its independence and conducted audits appropriately, and received reports, and sought explanations as necessary, from the Accounting Auditor regarding the execution of its duties. The Audit & Supervisory Board received notification from the Accounting Auditor to the effect that "systems for ensuring appropriate execution of duties" (matters listed in each item of Article 131 of the Ordinance on Accounting of Companies) has been established in accordance with "Quality Control Standards for Auditing" (dated October 28, 2005 by Business Accounting Council), etc., and we requested explanations as necessary.

Based on the above, we examined the Business Report and the related supplementary schedules, the financial statements (the balance sheet, the statement of income, the statement of changes in equity, and the notes to financial statements) and the related supplementary schedules for the fiscal year under review.

2. Audit Results

- (1) Results of Audit of Business Report, etc.
 1. In our opinion, the business report and the supplementary schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company's condition.
 2. No inappropriate conduct concerning the execution of duties by Directors or material facts in violation of laws, regulations or the Articles of Incorporation were found.
 3. We found that the Board of Directors' resolutions concerning the internal control system are appropriate in content. We also found no matters requiring note with respect to the description of the Business Report and the execution of duties by Directors concerning the said internal control system.
- (2) Results of Audit of Financial Statements and Related Supplementary Schedules

We found that the methods and the results of the audit conducted by Accounting Auditor, Grant Thornton Taiyo LLC, are appropriate.

May 13, 2022

Audit & Supervisory Board
ZENKOKU HOSHO Co., Ltd.

Full-time Audit & Supervisory Board Member	Mamoru Fujino
Outside Audit & Supervisory Board Member	Eri Itagaki
Outside Audit & Supervisory Board Member	Takafumi Sato
Outside Audit & Supervisory Board Member	Hidehiko Suzuki

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Distribution of Surplus

The Company considers profit distribution to its shareholders as one of the important aspects of its business. Its basic dividend policy is to pay stable, continuous cash dividends based on comprehensive consideration of the entire business, while securing internal reserves to maintain a solid financial foundation as a housing loan guarantee company. Under this policy, the Company proposes the following year-end dividends and distribution of surplus for the fiscal year under review.

1. Matters concerning year-end dividends
 - (1) Type of dividend property
Cash
 - (2) Matters concerning the allotment of dividend property and the total amount
133 yen per share of common stock
Total amount of 9,159,872,659 yen
 - (3) Effective date of distribution of surplus
June 20, 2022
2. Other matters concerning the distribution of surplus
 - (1) Item and the amount of surplus to be increased
Reserve for loss on guarantees 18,700,000,000 yen
 - (2) Item and amount of surplus to be decreased
Retained earnings brought forward 18,700,000,000 yen

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019) will be enforced on September 1, 2022. In line with this, a system for the electronic provision of reference documents for general meetings of shareholders, etc. (hereinafter, the “Electronic Provision System”) will be recognized. In addition, listed companies are required to stipulate in their Articles of Incorporation that they will adopt the Electronic Provision System for information contained in the reference documents for general meetings of shareholders, etc. after the effective date of the amendment to the Companies Act concerning the Electronic Provision System. Accordingly, the Company proposes to make the necessary amendments to its Articles of Incorporation.

- (1) Article 15 (Measures for Electronic Provision, etc.) of the proposed amendments will adopt measures for the electronic provision of information contained in the reference documents for general meetings of shareholders, etc., and will establish a provision to the effect that matters prescribed in law and regulations may be omitted with respect to matters to be stated in documents to be delivered to shareholders who have requested delivery of documents.
- (2) Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation will be deleted as it will no longer be necessary following the establishment of Article 15 (Measures for Electronic Provision, Etc.) of the proposed amendments.
- (3) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 1 – 14 (Omitted)</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 15 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with laws and regulations.</u></p> <p><Newly established></p> <p>Article 16 – 46 (Omitted)</p>	<p>Article 1 – 14 (Unchanged)</p> <p><Deleted></p> <p><u>(Measures for Electronic Provision, Etc.)</u></p> <p><u>Article 15 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters prescribed in laws and regulations in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p>Article 16 – 46 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<Newly established>	<p data-bbox="810 237 1107 268"><u>Supplementary Provisions</u></p> <p data-bbox="810 277 1404 685"><u>Article 1 The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation prior to amendment and the establishment of Article 15 (Measures for Electronic Provision, Etc.) of the Articles of Incorporation after amendment shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p data-bbox="810 725 1404 972"><u>2. Notwithstanding the provisions of the preceding Article, Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation prior to amendment shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p data-bbox="810 1012 1404 1169"><u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding Article, whichever is later.</u></p>


Proposal No. 3: Election of Seven (7) Directors

The term of office of all seven (7) Directors will have expired as of the conclusion of this Annual General Meeting of Shareholders, and the Company hereby proposes the election of seven (7) Directors.

The candidates are as follows:


[Reference] List of candidates for Directors


No.	Name		Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings
1	Eiji Ishikawa	Reappointment	President & Representative Director	14/14 (100%)
2	Takashi Yamaguchi	Reappointment	Senior Managing Director General Manager, Operations Headquarters	14/14 (100%)
3	Yuichi Aoki	Reappointment	Managing Director General Manager, Management Headquarters	14/14 (100%)
4	Keiichi Asada	Reappointment	Director General Manager, Sales Headquarters	14/14 (100%)
5	Masahito Kamijo	Reappointment Outside Independent	Director	14/14 (100%)
6	Yoshiro Nagashima	Reappointment Outside Independent	Director	14/14 (100%)
7	Tomoe Imado	Reappointment Outside Independent	Director	14/14 (100%)

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1 Reappointment	 <p data-bbox="341 633 592 696">Eiji Ishikawa (September 20, 1964)</p> <p data-bbox="341 728 592 824">Years in office as Director: 16 years</p> <p data-bbox="341 855 592 1016">Attendance at the Board of Directors meetings: 14/14 (100%)</p>	<p data-bbox="592 275 762 304">January 1990</p> <p data-bbox="592 309 762 338">February 1997</p> <p data-bbox="592 342 762 371">April 2002</p> <p data-bbox="592 403 762 432">October 2002</p> <p data-bbox="592 436 762 465">June 2003</p> <p data-bbox="592 497 762 526">October 2004</p> <p data-bbox="592 598 762 627">April 2005</p> <p data-bbox="592 728 762 757">September 2005</p> <p data-bbox="592 855 762 884">June 2006</p> <p data-bbox="592 925 762 954">July 2006</p> <p data-bbox="592 958 762 987">March 2015</p> <p data-bbox="592 1050 762 1079">June 2015</p> <p data-bbox="794 275 1251 1115"> Joined the Company General Manager, Yokohama Branch General Manager, Claims Management Division General Manager, Fukuoka Branch Executive Officer and General Manager, Fukuoka Branch Executive Officer and General Manager, General Affairs Division, Executive Secretary Executive Officer and General Manager, Management Headquarters, General Manager, Related Business Division Executive Officer and General Manager, Listing Preparation Headquarters, General Manager, Related Business Division Director and Managing Executive Officer President & Representative Director President & Representative Director and General Manager, Management Headquarters President & Representative Director (current position) </p>	47,167 shares
<p data-bbox="183 1122 794 1151"><Reasons for nomination as a candidate for Director></p> <p data-bbox="183 1155 1423 1337">Mr. Eiji Ishikawa has appropriately conducted direction and supervision of management as President & Representative Director, and demonstrates ability as a leader of the management team. Additionally, he serves as President, the responsible person for business execution, directs and integrates all corporate business execution, and works to advance the corporate management plan, possessing a wealth of experience and insights in the Company. Due to the above, the Company has judged that he is suitable for continuous growth and improvement of corporate value of the Company, and requests his continued election as Director.</p>			


No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2 Reappointment	 <p data-bbox="352 748 584 808">Takashi Yamaguchi (January 3, 1970)</p> <p data-bbox="352 842 584 936">Years in office as Director: 11 years</p> <p data-bbox="352 969 584 1126">Attendance at the Board of Directors meetings: 14/14 (100%)</p>	<p data-bbox="598 275 1243 1081"> November 1995 Joined the Company April 2002 General Manager, Nagoya Branch June 2006 Executive Officer and General Manager, Nagoya Branch April 2007 Executive Officer and General Manager, Head Office February 2009 Executive Officer and General Manager, Corporate Planning Division April 2010 Audit & Supervisory Board Member, Zenkoku Business Partner, K.K. June 2011 Director and General Manager, Operations Headquarters, the Company June 2016 Managing Director and General Manager, Operations Headquarters June 2018 Senior Managing Director and General Manager, Operations Headquarters (current position) December 2018 President & Representative Director, Yutori Servicer Co., Ltd. (currently AKEBONO Servicer Co., Ltd.) (current position) June 2020 President & Representative Director, Zenkoku Business Partner, K.K. (current position) </p> <p data-bbox="598 1122 1243 1339"> [Responsibilities] General Manager, Operations Headquarters [Significant concurrent position] President & Representative Director, AKEBONO Servicer Co., Ltd. President & Representative Director, Zenkoku Business Partner, K.K. </p>	26,988 shares
<p data-bbox="188 1346 1407 1563"> <Reasons for nomination as a candidate for Director> Mr. Takashi Yamaguchi engages in corporate management as Director, and is fulfilling his duties and responsibilities. Additionally, as General Manager, Operations Headquarters, he is working to respond to customer needs and improve efficiency of operations through product planning and development and maintaining a credit evaluation system, and possesses a wealth of experience and insights in the Company. Due to the above, the Company has judged that he is suitable for continuous growth and improvement of corporate value of the Company, and requests his continued election as Director. </p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3 Reappointment	 <p data-bbox="344 741 588 808">Yuichi Aoki (September 10, 1971)</p> <p data-bbox="368 837 564 931">Years in office as Director: 7 years</p> <p data-bbox="360 965 572 1122">Attendance at the Board of Directors meetings: 14/14 (100%)</p>	<p data-bbox="600 275 1235 365">August 2002 Joined the Company June 2011 General Manager, Corporate Planning Division</p> <p data-bbox="600 371 1235 432">June 2013 Executive Officer and General Manager, Corporate Planning Division</p> <p data-bbox="600 439 1235 499">December 2014 Audit & Supervisory Board Member, Zenkoku Business Partner, K.K.</p> <p data-bbox="600 506 1235 629">June 2015 Director and General Manager, Management Headquarters, General Manager, Corporate Planning Division, the Company</p> <p data-bbox="600 636 1235 759">June 2018 Managing Director and General Manager, Management Headquarters, General Manager, Corporate Planning Division</p> <p data-bbox="600 766 1235 978">February 2020 Managing Director and General Manager, Management Headquarters (current position) President & Representative Director, Towa Shinyo Hosho Co., Ltd. (currently MINORI GUARANTEE Co., Ltd.) (current position)</p> <p data-bbox="600 985 1235 1079">March 2021 President & Representative Director, Tsukuba Shinyo Hosho Co., Ltd. (current position)</p> <p data-bbox="600 1115 1235 1335">[Responsibilities] General Manager, Management Headquarters [Significant concurrent position] President & Representative Director, MINORI GUARANTEE Co., Ltd. President & Representative Director, Tsukuba Shinyo Hosho Co., Ltd.</p>	13,439 shares
<p data-bbox="188 1339 794 1368"><Reasons for nomination as a candidate for Director></p> <p data-bbox="188 1373 1406 1552">Mr. Yuichi Aoki engages in corporate management as Director, and is fulfilling his duties and responsibilities. Additionally, as General Manager, Management Headquarters, he is working to strengthen corporate management through refining risk management systems and effective use of personnel that serve as management resources, and possesses a wealth of experience and insights in the Company. Due to the above, the Company has judged that he is suitable for continuous growth and improvement of corporate value of the Company, and requests his continued election as Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4 Reappointment	 <p>Keiichi Asada (August 22, 1961)</p> <p>Years in office as Director: 4 years</p> <p>Attendance at the Board of Directors meetings: 14/14 (100%)</p>	<p>April 1984 Joined The Nippon Credit Trust Bank, Ltd. (currently Aozora Bank, Ltd.)</p> <p>July 2013 Executive Officer and General Manager, Kansai Branch, Aozora Bank, Ltd.</p> <p>April 2014 Executive Officer and Head of Business Banking Group</p> <p>July 2016 Director and Vice President, GLION Co., Ltd. Director and Vice Chairman, Hanshin BMW</p> <p>February 2018 Joined the Company Executive Officer and Deputy General Manager, Sales Headquarters</p> <p>June 2018 Director and General Manager, Sales Headquarters (current position)</p> <p>June 2020 Director, Zenkoku Business Partner, K.K. (current position)</p> <p>[Responsibilities] General Manager, Sales Headquarters</p> <p>[Significant concurrent position] Director, Zenkoku Business Partner, K.K.</p>	1,052 shares
<p><Reasons for nomination as a candidate for Director></p> <p>Mr. Keiichi Asada engages in corporate management as Director, and is fulfilling his duties and responsibilities. Additionally, as General Manager, Sales Headquarters, he is working to expand the business base through cultivating new transaction partners, strengthening relationships with existing transaction partners, and fostering growth of sales representatives, and possesses a wealth of experience and insights in the Company. Due to the above, the Company has judged that he is suitable for continuous growth and improvement of corporate value of the Company, and requests his continued election as Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5 Reappointment Outside Independent	 <p>Masahito Kamijo (July 12, 1954)</p> <p>Years in office as Director: 4 years</p> <p>Attendance at the Board of Directors meetings: 14/14 (100%)</p>	<p>April 1977 Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited)</p> <p>June 2006 Representative Director and Managing Executive Officer, Sales Support Headquarters, in charge of Cash Securities Department, Saitama Resona Bank, Limited</p> <p>June 2008 Director and Senior Managing Executive Officer, in charge of Corporate Business Division, Corporate Solutions Sales Division and Public Corporation Division, Resona Bank, Limited</p> <p>June 2009 President & Representative Director, Saitama Resona Bank, Limited Executive Officer, in charge of Group Strategy Division (corporate management of Saitama Resona Bank, Limited), Resona Holdings, Inc.</p> <p>April 2014 Chairman of the Board, Saitama Resona Bank, Limited</p> <p>April 2015 Chairman, Resona Research Institute Co., Ltd.</p> <p>June 2015 Outside Director, Hakuto Co., Ltd. (current position)</p> <p>June 2016 Outside Director, Clarion Co., Ltd.</p> <p>June 2018 Outside Director, the Company (current position)</p> <p>March 2021 Outside Audit & Supervisory Board Member, MiraBiologics Inc. (current position)</p> <p>[Significant concurrent position] Outside Director, Hakuto Co., Ltd. Outside Audit & Supervisory Board Member, MiraBiologics Inc.</p>	719 shares

<Reasons for nomination as candidate for Outside Director and outline of expected roles>
Mr. Masahito Kamijo possesses a wealth of experience and a high level of insights in finance and corporate management through serving as President & Representative Director of major financial institutions, and he provides recommendations and supervision toward decisions on important matters of the Company's management and oversight of business execution as Outside Director. Due to the above, the Company expects that he will contribute to the further enhancement of the Company's corporate governance, and requests his continued election as Outside Director. Additionally, although Mr. Masahito Kamijo has been the Company's Outside Director since June 2018 and will be in office for approximately four years as of the conclusion of this Annual General Meeting of Shareholders, the Company proposes his continued election in consideration of the fact that he has maintained independence from the Company.

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
<p>6 Reappointment Outside Independent</p>	 <p>Yoshiro Nagashima (April 7, 1952)</p> <p>Years in office as Director: 4 years</p> <p>Attendance at the Board of Directors meetings: 14/14 (100%)</p>	<p>April 1975 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>May 2002 Managing Director of Toranomon Branch, The Bank of Tokyo- Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)</p> <p>June 2004 President & Representative Director, Tokyo Diamond Rehabilitation and Servicer Co., Ltd (currently MU Frontier Servicer Co., Ltd)</p> <p>October 2005 Representative Director and Executive Vice President, MU Frontier Servicer Co., Ltd</p> <p>June 2009 Full-time Corporate Auditor, NIPPON CARBIDE INDUSTRIES CO., INC.</p> <p>June 2016 Outside Director, KANADEN CORPORATION (current position)</p> <p>June 2018 Outside Director, the Company (current position)</p> <p>December 2018 Audit & Supervisory Board Member, Yutori Servicer Co., Ltd. (currently AKEBONO Servicer Co., Ltd.) (current position)</p> <p>September 2019 Outside Director, Nakashima Holdings K.K.</p> <p>June 2020 Audit & Supervisory Board Member, Zenkoku Business Partner, K.K.</p> <p>March 2021 Audit & Supervisory Board Member, Tsukuba Shinyo Hosho Co., Ltd. (current position)</p> <p>January 2022 Outside Auditor, NetLearning Holdings, Inc. (current position)</p> <p>[Significant concurrent position] Outside Director, KANADEN CORPORATION Audit & Supervisory Board Member, AKEBONO Servicer Co., Ltd. Audit & Supervisory Board Member, Tsukuba Shinyo Hosho Co., Ltd. Outside Auditor, NetLearning Holdings, Inc.</p>	<p>626 shares</p>
<p><Reasons for nomination as candidate for Outside Director and outline of expected roles> Mr. Yoshiro Nagashima possesses a wealth of experience and wide insights in corporate management through serving as Director and Corporate Auditor of business companies, and he provides recommendations and supervision toward decisions on important matters of the Company's management and oversight of business execution as Outside Director. Due to the above, the Company expects that he will contribute to the further enhancement of the Company's corporate governance, and requests his continued election as Outside Director. Additionally, although Mr. Yoshiro Nagashima has been the Company's Outside Director since June 2018 and will be in office for approximately four years as of the conclusion of this Annual General Meeting of Shareholders, the Company proposes his continued election in consideration of the fact that he has maintained independence from the Company.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7 Reappointment Outside Independent	 Tomoe Imado (March 3, 1975) Years in office as Director: 2 years Attendance at the Board of Directors meetings: 14/14 (100%)	October 2003 Registered as an attorney Joined Mori Hamada & Matsumoto Law Office April 2008 Joined Ministry of Foreign Affairs as Assistant Manager, Economic Treaties Division, International Legal Affairs Bureau July 2010 Joined Okuno & Partners January 2019 Joined Miura & Partners as Partner (current position) July 2019 Outside Statutory Auditor, OneBe, Inc. (current position) June 2020 Outside Director, the Company (current position) [Significant concurrent position] Partner, Miura & Partners Outside Statutory Auditor, OneBe, Inc.	0 shares

<Reasons for nomination as candidate for Outside Director and outline of expected roles>

Ms. Tomoe Imado has been engaged in service at law firms for many years and possesses a wealth of experience and a high level of insights as an attorney, and she provides recommendations and supervision toward decisions on important matters of the Company's management and oversight of business operation as Outside Director. Due to the above, the Company expects that she will contribute to the further enhancement of the Company's corporate governance, and requests her continued election as Outside Director. Although she has no experience of direct involvement in corporate management in the past, the Company judges that she is capable of appropriately executing the duty of Outside Director for the reasons above. Additionally, although Ms. Tomoe Imado has been the Company's Outside Director since June 2020 and will be in office for approximately two years as of the conclusion of this Annual General Meeting of Shareholders, the Company proposes her continued election in consideration of the fact that she has maintained independence from the Company.

Directors' Skills Matrix

Name	Positions and responsibilities	Corporate management	Finance	Risk Management	Finance & Accounting	Legal Affairs	Sales	Product Planning
Eiji Ishikawa	President & Representative Director	●	●					
Takashi Yamaguchi	Senior Managing Director General Manager, Operations Headquarters		●			●		●
Yuichi Aoki	Managing Director General Manager, Management Headquarters		●	●	●			
Keiichi Asada	Director General Manager, Sales Headquarters		●				●	
Masahito Kamijo	Independent Outside Director	●	●	●	●			
Yoshiro Nagashima	Independent Outside Director	●	●		●			●
Tomoe Imado	Independent Outside Director			●		●		

(Notes)

1. No material conflict of interest exists between the Company and each candidate for Director.
2. Messrs. Masahito Kamijo, Yoshiro Nagashima, and Ms. Tomoe Imado are candidates for Outside Director.
3. With regard to liability limitation agreements with Directors, in order to invite capable individuals as Directors, and to allow them to adequately fulfill their expected duties, the Company has stipulated in its Articles of Incorporation, pursuant to Article 427, Paragraph 1 of the Companies Act, that the Company may conclude agreements with Directors not involved in the execution of business to limit their liabilities for damages caused by their negligence of duties as Directors within a certain range.
Accordingly, the Company has concluded the above agreement with Messrs. Masahito Kamijo and Yoshiro Nagashima and Ms. Tomoe Imado if the reappointment of each candidate is approved, the Company intends to continue the above agreement with each of them. The agreements stipulate that the liabilities specified in Article 423, Paragraph 1 of the Companies Act will be limited to the higher of 2.00 million yen or the amount provided by laws and regulations, if they have acted in good faith and without gross negligence in performing their duties.
4. The Company has concluded a Directors and Officers Liability Insurance Agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover legal damages and litigation expenses to be borne by the insured parties. Each of the candidates shall be included in the insured parties in the insurance agreement. The Company plans to renew the insurance agreement with the same details at the time of the next renewal.
5. Mr. Yoshiro Nagashima serves as Audit & Supervisory Board Member (current position) of AKEBONO Servicer Co., Ltd. and Tsukuba Shinyo Hosho Co., Ltd, both of which are the Company's subsidiaries. He previously served as Audit & Supervisory Board Member of Zenkoku Business Partner, K.K., the Company's subsidiary, but retired on March 31, 2021.
6. The Company has registered Messrs. Masahito Kamijo and Yoshiro Nagashima and Ms. Tomoe Imado as Independent Directors/Auditors as stipulated by the Tokyo Stock Exchange.
7. The number of shares held by candidates for Director includes those held by them under the ZENKOKU HOSHO Officer's Shareholding Association.