

## Message from the Chairman of the Board



**Takahiro Yanai**  
Director, Chairman

**We will further improve our corporate governance to contribute to the sustainable enhancement of our corporate value.**

### Looking back on FY2024

As I mentioned in last year's Integrated Report, I, as the Chairman of the Board of Directors, have striven to run open and inclusive meetings, enabling our Outside Directors to fully contribute their expertise, and to make sure that the executive team adequately responds to the opinions, proposals, and questions of the Directors.

In September 2023, we narrowed down the criteria for matters to be submitted to the Board of Directors, so that in FY2024, the Board of Directors was able to take sufficient time to discuss key agenda items and thoroughly exchange their opinions. In addition to this way of improving how meetings are run, I also strove to utilize the evaluation of the effectiveness of the Board of Directors and the Governance Committee, especially the opinions and proposals of our independent Outside Directors, to further improve governance, as illustrated below.

For the evaluation of the effectiveness of the Board of Directors, we asked all Directors to freely write their evaluations and comments in a survey regarding the meetings of the Board of Directors and each committee held during FY2024. From the survey results, we identified the themes to be discussed by the Board of Directors, the Governance Committee, the

Nomination Committee, and the Compensation Committee in FY2025; the points to be improved in managing these meeting bodies; and what should be discussed over the medium to long term. These matters were examined by the Governance Committee and the Board of Directors. In this examination, the necessity of using a third-party evaluation organization was also discussed, but the Outside Directors unanimously decided against the use of an outside organization for now, concluding that the issues derived from the Company's evaluation process were issues that only members of the Board of Directors could identify.

At the Governance Committee, we exhaustively checked the guidelines set by the Financial Services Agency, the Ministry of Economy, Trade and Industry, and the Tokyo Stock Exchange, identified the matters we should consider, and held numerous discussions through July to October 2024.

Some examples of the results of the discussions are the decisions to thoroughly review the skill matrix and disclose the reasons for selecting the skills, as well as replacing the chairs of the Nomination Committee and Compensation Committee with independent Outside Directors. These committees, which are advisory committees to the Board of Directors, have been structured so that independent Outside Directors constitute a majority of their members to ensure that the opinions of independent Outside Directors are given utmost consideration by the Board of Directors. On top of such structure, since April 2025, the chairs have been independent Outside Directors, which has further enhanced the transparency and fairness of both committees.

### Strategic discussions at the Board of Directors meetings during the formulation process for the 2028 MTMP

FY2025 is the year in which we formulate our next Medium-term Management Plan (the 2028 MTMP). To enhance our corporate value over the medium to long term, the Board of Directors will fully fulfill its role by holding extensive discussions at the meetings of the Board of Directors and Governance Committee when drawing up the MTMP. At the initial stage of considerations, the Board of Directors shared the internal and external environment analysis compiled by the executive team. We will further our discussions at the meetings of the Board of Directors as the strategies for the entire Company take shape.

For FY2025, in order to realize our Group's medium- to long-term vision, we will further demonstrate the functions of the Board of Directors from the perspectives of both offense and defense, and will meet the expectations of our various stakeholders.