

# Message from the Chairman of the Board



## Looking Back on Fiscal 2023

As I mentioned in last year's Integrated Report, we have designated the two-year period following the business integration in April 2021 as the period for the post-merger integration (PMI), during which the Board of Directors has diligently examined and deliberated upon the comprehensive overview of the integrated company from multiple perspectives, based on the conservatively established standards for items to be submitted to the Board of Directors. After the completion of the PMI over the past two years and an improved understanding of the Company by each Director, the discussions on the Evaluation of the Effectiveness of the Board of Directors for fiscal 2022 were held in the Governance Committee and the Board of Directors. As a result, we have reviewed the scope of delegation regarding decision making in business execution, narrowing down the standards for items to be submitted to the Board of Directors to focus on the matters that should be deliberated in the board, effective from September 2023, and allocating more time for discussions on critical issues. Consequently, starting from the second half of fiscal 2023, we were dedicating more time to in-depth discussions

on critical agenda items, ensuring a thorough review process.

Specifically, the Board of Directors deepened discussions on the following two themes. One was monitoring the progress of the Medium-term Management Plan (2025 MTMP). In fiscal 2023, which was the first year of the 2025 MTMP, the Board of Directors engaged in discussions to further explore the strategies outlined in the 2025 MTMP, such as achieving a PBR of 1x and long-term enhancement of corporate value. The other theme of discussion was the skill matrix of Directors. The Nomination Committee deliberated on the skills that our Board of Directors should possess, taking into account the targets and key initiatives of the 2025 MTMP. As a result, we added "IT/DX" to the skill matrix. With the active participation from our Directors in the subsequent series of processes, including interviews with candidates and discussions in the Nomination Committee and the Board of Directors, we have decided to welcome Ms. Kayoko Kawamura, who has extensive experience and expertise in IT/DX, as a new Independent Outside Director, effective June 2024.

## Toward Further Advancement of Governance

My primary duty as the Chairman of the Board of Directors is to facilitate open and inclusive meeting operations, allowing our Independent Outside Directors to fully contribute their expertise. Additionally, I strive to act as a bridge such that the opinions, proposals, and questions of the Directors are communicated to the business executive team so that they can be effectively addressed to improve governance practices. I will leverage my experience of serving as the President & CEO for six years, including the period of the PMI and the time at the former Mitsubishi UFJ Lease & Finance, as valuable insights in

bridging gaps and fulfilling my responsibilities diligently.

This fiscal year, we plan to utilize the Governance Committee, which serves as an advisory body to the Board of Directors, to engage in more open and free exchanges of opinions regarding the ideal balance between offense and defense, as well as on the challenges and improvement measures of the Company. As the Chairman, I will actively seek input from our Independent Outside Directors and leverage their insights to further enhance our corporate governance, thereby meeting the expectations of our stakeholders.