

Material issues

Pursuit of corporate governance that supports improved corporate value

Corporate governance

We have identified the “pursuit of corporate governance that supports improved corporate value” as one of the material issues to realize our Group Vision. In order to improve corporate value, we are particularly promoting improving effectiveness, respect for human rights, thorough compliance, and enhancement of risk management. We have also implemented measures within our capital structure to consider protection of minority shareholders.

Corporate governance system

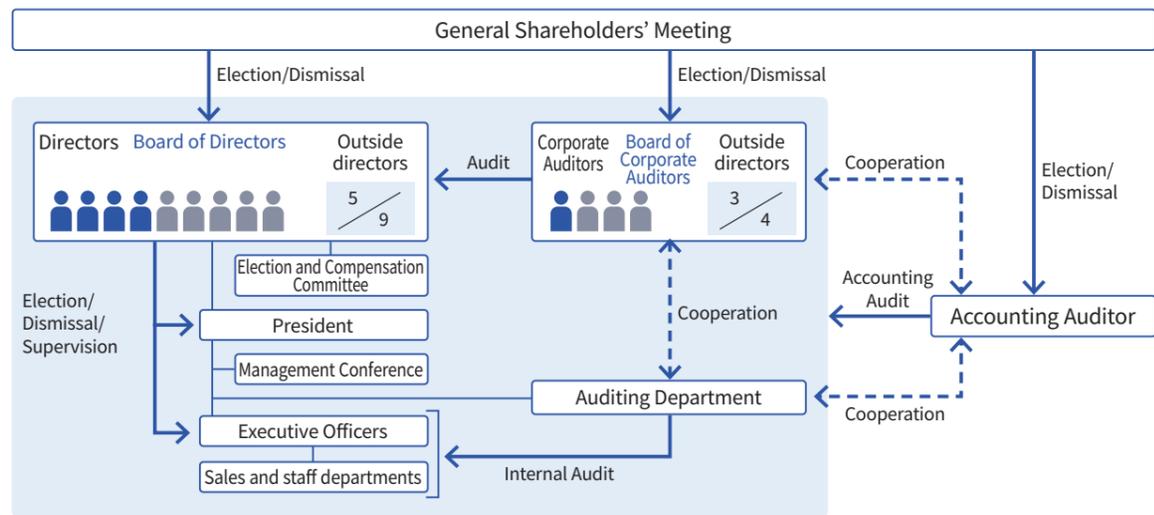
In addition to general shareholder meetings, we have instituted a Board of Directors, a Board of Corporate Auditors and an Accounting Auditor under the Companies Act. We have also introduced an executive officer system to accelerate decision-making, and the Board of Directors supervises and monitors them.

| History of corporate governance improvements | |
|--|--|
| Jun. 2004 | Implemented executive officer system |
| Mar. 2010 | Elected one independent director |
| Jul. 2011 | Added one independent director for a total of two |
| Apr. 2012 | Established voluntary Compensation Committee |
| Nov. 2018 | Established voluntary Election and Compensation Committee |
| Jun. 2021 | Added one independent director for a total of three |
| Dec. 2024 | Appointed an independent outside director to chair the voluntary Election and Compensation Committee |

Corporate governance system schematic diagram

(as of the end of June 2025)

Internal directors Outside directors



Board of Directors Held 16 times/year

Five out of NEC Capital Solutions' nine directors are outside directors. Meetings of the Board of Directors are regularly held once a month, with extraordinary meetings held when necessary. In addition to making decisions on important matters concerning issues prescribed by laws and regulations, the Articles of Incorporation, and other rules, the Board of Directors monitors the state of business execution by directors by receiving various reports, such as the amount of risk faced by the Group and the results of internal audits. For the fiscal year ended March 31, 2025, the Board of Directors considered and resolved on matters such as important management policies including changes in major shareholders and the succession of businesses to a newly established strategic

subsidiary, as well as significant investment/loan projects that are critical to business strategies, follow-up on the Medium-term Plan, and the promotion of sustainability-related activities (climate change response, human capital, and respect for human rights). Furthermore, three of the outside directors are independent with no interests in the Group or major shareholders, and no risk of conflicts of interest with general shareholders. Their names are submitted as independent directors in accordance with the Tokyo Stock Exchange's stipulations. We expect our outside directors to play roles of providing advice concerning all aspects of corporate management based on their deep insights and extensive experience and of being involved in decision-making at the Board of Directors to ensure its appropriateness and fairness.

Corporate auditing system Held 12 times/year

Four Corporate Auditors (three of which are outside Corporate Auditors) hold regular meetings of the Board of Corporate Auditors to discuss auditing activities based on the auditing plan and management information.

Along with attending important internal meetings that include meetings of the Board of Directors and Management Conference, Corporate Auditors hold conferences once a month with the President of NEC Capital Solutions to discuss important auditing issues, problems the Company needs to address, and progress made in developing an environment for auditing, in addition to gathering direct feedback from directors and employees regarding the execution of business.

The Auditing Department provides specific advice and recommendations regarding the improvement of business operations through internal audits, offers guidance on the development and operation of the internal control system, and evaluates its operation.

Assessment of the effectiveness of the Board of Directors

Analysis and assessment of the effectiveness of the Board of Directors are conducted once a year at the Board of Directors meeting to improve its function. NEC Capital Solutions conducted a survey through an outside agency for all directors and Corporate Auditors in March 2025. Opinions were gathered at a Management Roundtable comprising all directors and Corporate Auditors in light of the survey results mentioned above and from the perspectives specified below, and analyses, discussion, and assessment were conducted.

| | |
|---|---|
| 1 | Supervision of the management by the Board of Directors |
| 2 | Appropriate Board composition |
| 3 | Strategic orientation of the management by the Board of Directors |
| 4 | Ensured discussion opportunities for the Board of Directors |

As for “1. Supervision of the management by the Board of Directors” and “2. Appropriate Board composition,” the Board of Directors is composed of officers who are diverse in terms of gender, knowledge, experience, and abilities, including independent outside directors, and necessary information is shared in an appropriate manner, including prior explanation of agenda items to outside directors, leading to the evaluation that supervision of management is functioning.

Furthermore, the Election and Compensation Committee, the majority of the members of which are independent outside directors, has been chaired by an independent outside director from December 2024 to further enhance the transparency and fairness of the appointment, dismissal, evaluation, and remuneration processes. The Committee has also been commended for progress in areas such as succession planning and candidate interviews.

As for “3. Strategic orientation of the management by the Board of Directors” and “4. Ensured discussion

opportunities for the Board of Directors,” the Company continues to hold a Management Roundtable to freely exchange opinions on important management issues. In FY2025/3, in addition to the change of major shareholders and the succession of business to newly established strategic subsidiaries, the Company also utilized the Management Roundtable to conduct sufficient preliminary deliberations on important business strategies before making decisions on policies. Moreover, new directors and outside directors also participated in general manager and branch manager meetings as an opportunity to promote understanding of our business and to facilitate communication with directors and employees at various levels within the Company.

On the other hand, we believe it is necessary to devise ways to further deepen discussions on important topics such as the rule of the Board of Directors and the governance system. FY2026/3 is the final year of our Medium-term Plan 2025. We will work to achieve this goal, while working to realize management with an awareness of the capital efficiency and stock prices, and to formulate our next medium-term plan. Going forward, the Company will continue to work to improve the effectiveness of the Board of Directors and increase its corporate value over the medium- to long-term by steadily following up on the Medium-term Plan with the aim of realizing our Group Vision, which is to “Be a solution company leading the next-generation circular economy.”

See P.27 for sustainability implementation system

Election and Compensation Committee

Held 7 times/year

Based on the policy of selecting appropriate human resources who will contribute to the management of the Group, the Company has established the Election and Compensation Committee, in which the majority of members are independent outside directors, as an advisory body to the Board of Directors. The Board of Directors shall appoint and dismiss members of senior management and nominate candidates for directors and Corporate Auditors based on the report of the Committee. In addition, the Company regards the officer compensation system as an important matter of corporate governance, and the Election and Compensation Committee shall deliberate on officer compensation and report to the Board of Directors.

Currently, the Election and Compensation Committee includes three independent outside directors (two of whom are women). The Election and Compensation Committee's reports to the Board of Directors are backed by a wealth of knowledge and experience, and also take into account diversity, such as gender, and skills. The Election and Compensation Committee consists of five directors and is chaired by an independent outside director elected by mutual vote of the committee members.

Director compensation

We have designed our directors' compensation system to contribute to the realization of our corporate philosophy and the sustainable enhancement of corporate and shareholder value. In addition to financial indicators, non-financial ESG indicators are set as KPIs for the evaluation of performance-linked compensation.

● Directors' compensation structure

Directors' compensation is structured according to their roles as follows.

- Executive directors: supervisory compensation and executive compensation (base compensation, performance compensation, and share compensation)
- Outside directors and Corporate Auditors: fixed compensation only, based on their responsibilities (not performance-linked)

Executive compensation consists of 60% base compensation, 25% performance compensation, and 15% share compensation, with an overall fixed-to-variable compensation ratio of approximately 60:40.

● Overview of performance compensation

Performance compensation is paid annually as a bonus based on the achievement of the following indicators.

| Indicators | | Representative Director | Executive Director |
|--|--|-------------------------|--------------------|
| Financial indicators | Profit attributable to owners of parent | 70% | 50% |
| | ROA | 10% | 10% |
| Non-financial indicators | Responses to environmental and social issues | 10% | 10% |
| | Employee engagement score | 10% | 10% |
| KPIs set for each area of responsibility | | — | 20% |

* Evaluation results range from 0% to 200%, and the amount of compensation is determined after deliberation by the Election and Compensation Committee.

● Overview of share compensation

Restricted stock is granted once a year with the aim of promoting value sharing with shareholders and enhancing corporate value over the medium- to long term. The Board of Directors passes resolutions on a case-by-case basis after deliberation by the Election and Compensation Committee (within the limits approved by the General Shareholders' Meeting, "up to 21,000 shares and up to 31 million yen per year").

Relationship with principal shareholders

In conjunction with changes in major shareholders, etc. in October 2024, the Company has changed from an equity-method affiliate of NEC Corporation to an equity-method affiliate of SBI Shinsei Bank, Limited.

* The ownership ratios of the Company's shares and the Company's structure reflect the results of the tender offer for the Company's shares by SBI Shinsei Bank dated June 24, 2025.

● Relationship with SBI Shinsei Bank

SBI Shinsei Bank falls under the category of "other associated companies," as it owns 43%* of the Company's shares. The Company has entered into a business collaboration agreement with SBI Shinsei Bank and Showa Leasing Co., Ltd., a group company of SBI Shinsei Bank, with the aim of strengthening its existing business and creating new business opportunities through close business cooperation and personnel interactions as well as maximum utilization of the SBI Group's customer base, financial ecosystem, and pioneering functions. Although four of the Company's 13 officers are employees of SBI Shinsei Bank, three of the nine directors are independent outside directors, and a majority of the voluntary Election and Compensation Committee is composed of such independent outside directors. This structure ensures a board composition that protects the interests of minority shareholders and secures the independence of the Company's decision-making and corporate management.

SBI Shinsei Bank is the Company's main bank, and therefore the Company has transactions with it including borrowing money for business. However, such transactions are conducted appropriately and fairly so as not to harm the independence and interests of the Company, and they are subject to the same terms and conditions as other borrowings, being based on interest rate trends and other market circumstances. Furthermore, the Company procures funds in various ways, with no dependence on specific financial institutions or methods, and no restrictions, etc. are imposed by SBI Shinsei Bank.

● Relationship with NEC

NEC is classified as a "major shareholder," holding 12%* of the Company's shares. Following the change in major shareholders in October 2024, SBI Shinsei Bank became the Company's largest shareholder. The Company has entered into a business collaboration agreement with NEC to maintain close collaboration as an important partner providing financial services to the NEC Group. In addition, for the use of the "NEC" name in its trade name and the "NEC" mark, which is NEC's trademark and company emblem, the Company has executed a license agreement for use of "NEC" mark and others.

NEC products and services account for approximately 60% of the Company's total executed contracts in the Leasing Business. The Company's main business relationships with the NEC Group include the procurement of products for the Leasing Business and other related transactions. These transactions between the Company and NEC are conducted appropriately and fairly so as not to impair the Company's independence or interests, and are carried out on terms equivalent to those of other general transactions based on market conditions.

Message from the new representative director

Utilizing my experience to contribute to the growth of new financial fields and the improvement of corporate governance

Shoichi Hirano Representative Director



Utilizing my experience in lease and financial fields to contribute to management

I joined The Long-Term Credit Bank of Japan (now SBI Shinsei Bank) after graduating from university. At the bank, I served as a chief officer, group planning and finance where I oversaw corporate planning, IR and public relations, financial affairs, accounting, and treasury operations, etc., as well as manager of the corporate business. I then spent approximately two and a half years as President & CEO of Showa Leasing before assuming my current role in December 2024. NEC Capital Solutions has a flexible corporate culture and many earnest employees, giving the organization real strength. At the Board of Directors, each member has expertise and strengths in different business fields to ensure well-balanced operations.

In addition to my experience in banking and leasing, I am using my unique advantages in my relationship with the SBI Shinsei Bank Group to contribute to company management.

Business alliance with SBI Shinsei Bank and Showa Leasing

With SBI Shinsei Bank, we have a complementary relationship in terms of our fields of expertise and customer bases. SBI Shinsei Bank's focus is on corporate finance and structured finance, and it is also proceeding with the rollout of senior loans for real estate and renewable energy projects. On the other hand, we have strengths in financial areas such as mezzanine loans and equities, making for a complementary lineup of solutions. Moreover, while SBI Shinsei Bank is subject to certain restrictions in real estate and energy businesses due to the Banking Act, we can work alongside our subsidiary NCS RE Capital to expand our businesses into new areas.

Meanwhile, Showa Leasing has strengths in the fields of construction equipment business with a customer base comprising primarily SMEs, meaning its advantages are in completely different areas from our own, which is good at ICT domains for large corporations and

government agencies. Further, while Showa Leasing can only offer building leases in the real estate domain, both companies can also collaborate in the field of land we can deal with. Working together, we can take an approach that complement each other with our respective areas of expertise.

I also look forward to this business alliance helping to reinforce not merely operations, but our management foundations. By proceeding with personnel exchange and furthering our understanding of one another's businesses, I have no doubt we can generate a range of synergies not only in front office departments but also in back office departments.

Changes in governance ahead of further growth

With the expected rise in handling of mezzanine loans and equities, we must look at how to manage them in a systematic manner. In the planning of our next Medium-term Plan and budget, it is essential that we design a risk management framework while taking into account corporate strength and profitability. I will use the risk intuition developed through my experience in the nationalization of The Long-Term Credit Bank of Japan and financial crises including the collapse of Lehman Brothers to enhance the Company's governance. Moreover, with the appointment of outside directors Messrs. Makizumi and Taima, I look forward to proceeding with discussions regarding the reduction and avoidance of risk and the enhancement of governance. I already feel that discussions have become more intense in the financial area we are working to strengthen.

In addition to our conventional businesses utilizing the sales channels of NEC, we have now established a system in which we can generate synergies alongside the customer base and products of the SBI Shinsei Bank Group. Under this new system, we will do everything we can to ensure sustainable improvements in corporate value and enhance profitability.

Directors

Directors (as of the end of June 2025)



Masaaki Suganuma
Representative Director and President



Shoichi Hirano New ^{*1}
Representative Director



Takashi Arai
Director



Yuichi Tsukada
Director



Takashi Nawa ^{*2}
Director
Outside Independent
Professor of Hitotsubashi University Business School, School of International Corporate Strategy



Takako Hagiwara ^{*2}
Director
Outside Independent
Representative Director of DDD Corporation



Asako Yamagami ^{*2}
Director
Outside Independent
Partner, ITN Partners Attorney at law admitted in Japan



Tsukasa Makizumi
Director
Outside New ^{*1}
Senior Managing Executive Officer, Head of Credit Risk Management, SBI Shinsei Bank, Ltd.



Kojiro Taima
Director
Outside New ^{*1}
Managing Executive Officer, in charge of Group Legal and Compliance, SBI Shinsei Bank, Ltd.

For their biography, please visit:
<https://www.necap.co.jp/ir/shareinfo/pdf/20250526e.pdf>



^{*1} Newly appointed directors at the Extraordinary General Meeting of Shareholders held on December 12, 2024.
^{*2} Mr. Takashi Nawa, Ms. Takako Hagiwara, and Ms. Asako Yamagami are independent directors in accordance with the Tokyo Stock Exchange's stipulations.

Corporate Auditors (as of the end of June 2025)



Yoshiyuki Koizumi
Corporate Auditor (Full-time)



Kiyohiro Kiyotani
Corporate Auditor (Full-time)
Outside New ^{*1}



Toshiyuki Ito
Corporate Auditor
Outside New ^{*1}
Joint General Manager, Group Institutional Business Planning Division, SBI Shinsei Bank, Ltd.



Masaru Akatsuka
Corporate Auditor
Outside New ^{*1}
Joint General Manager, Group Corporate Planning Division, SBI Shinsei Bank, Ltd.

Personal profiles of full-time directors

| | | |
|--|---|---|
| Masaaki Suganuma Representative Director and President | Apr. 1987 | Joined NEC Corporation |
| | Apr. 2008 | Chief Manager, Services Solution Department, Retail and Service Solution Division, NEC Corporation |
| | Oct. 2009 | Chief Manager, Retail, Service, and Transportation Sales Division, NEC Corporation |
| | Oct. 2010 | Chief Manager, New Business Promotion Division, NEC Corporation |
| | Jul. 2011 | General Manager, New Business Promotion Division, NEC Corporation |
| | Apr. 2014 | Executive Officer, NEC Corporation |
| | Apr. 2022 | Senior Officer of the Company |
| Shoichi Hirano Representative Director | Apr. 1988 | Joined The Long-Term Credit Bank of Japan, Ltd. (currently SBI Shinsei Bank, Ltd.) |
| | May 2015 | Executive Officer, General Manager, Institutional Business Planning Division, Shinsei Bank, Ltd. (currently SBI Shinsei Bank, Ltd.) |
| | Apr. 2016 | Executive Officer, General Manager, Corporate Planning Division and Office of Financing Facilitation Management, Shinsei Bank, Ltd. |
| | Apr. 2017 | Senior Officer, Group Planning and Financial Accounting, General Manager, Group Financial Research Division, Executive Officer, General Manager, Corporate Planning Division and Financial Research Division, Office of Financing Facilitation Management, Shinsei Bank, Ltd. |
| | Nov. 2017 | Senior Officer, Group Planning and Financial Accounting, Executive Officer, in charge of Financial Facilitation, General Manager, Office of Financial Facilitation Management, Shinsei Bank, Ltd. |
| | Apr. 2018 | Chief Officer, Group Planning and Financial Accounting, Managing Executive Officer, in charge of Financial Facilitation, General Manager, Office of Financial Facilitation Management, Shinsei Bank, Ltd. |
| | Apr. 2021 | Senior Managing Executive Officer, Head of Institutional Business Unit, Shinsei Bank, Ltd. |
| Takashi Arai Director | Apr. 1988 | Joined The Japan Development Bank (currently Development Bank of Japan Inc.) |
| | Mar. 2008 | Deputy General Manager, New Business and Technology Investment Group, Development Bank of Japan Inc. |
| | Jun. 2009 | Deputy General Manager, Corporate Investment Group, Development Bank of Japan Inc. |
| | Jun. 2012 | Deputy General Manager, Chugoku Branch, Development Bank of Japan Inc. |
| | Apr. 2014 | Specialist under the direction of Senior Executive Officer of the Company, Executive Director of RISA Partners, Inc. |
| | Apr. 2016 | Executive Officer of the Company, Executive Director of RISA Partners, Inc. |
| | Apr. 2017 | Executive Officer of the Company, Executive Director of RISA Partners, Inc. |
| Yuichi Tsukada Director | Apr. 1989 | Joined the Company |
| | Apr. 2010 | Department Manager, Business Management Department, Business Strategy Division of the Company |
| | May 2011 | Department Manager, Human Resources Department of the Company |
| | Apr. 2012 | Department Manager, Corporate Strategy Department, Department Manager, Human Resources Department of the Company |
| | Apr. 2016 | Seconded to NEC Corporation (Manager, Business Finance Department, Corporate Finance Division of NEC Corporation) |
| | Apr. 2020 | General Manager, Business Promotion Division of the Company |
| | Apr. 2022 | Executive Officer of the Company |
| Apr. 2023 | Senior Executive Officer of the Company | |
| Jun. 2023 | Director, Senior Executive Officer of the Company (incumbent) | |

Skills matrix

We identify skills that the Board of Directors should have in light of our management philosophy and ensure that the composition of directors is well-balanced as a whole in terms of knowledge, experience and skills.

| Name | Gender | Knowledge, experience and skills | | | | | | | | |
|--|--------|----------------------------------|----------|---------------------|--------------------------------|--------------------------|--------------------|-----|--------|----------------------|
| | | Corporate management | CSV, ESG | Finance, accounting | Legal affairs, risk management | Human resources strategy | Financial industry | ICT | Global | Business development |
| Masaaki Suganuma | Male | ○ | ○ | | | | | ○ | | ○ |
| Shoichi Hirano New | Male | ○ | ○ | ○ | | | | ○ | ○ | |
| Takashi Arai | Male | | ○ | ○ | | | | ○ | | ○ |
| Yuichi Tsukada | Male | | ○ | ○ | | | | ○ | ○ | ○ |
| Takashi Nawa Outside Independent director | Male | ○ | ○ | | | | | ○ | | ○ |
| Takako Hagiwara Outside Independent director | Female | ○ | ○ | | | | | ○ | | ○ |
| Asako Yamagami Outside Independent director | Female | | ○ | | ○ | | | | | ○ |
| Tsukasa Makizumi Outside New | Male | | ○ | | ○ | | | ○ | | ○ |
| Kojiro Taima Outside New | Male | | ○ | | ○ | | | ○ | | ○ |

Message from outside director



Embracing challenges with an “unconstrained,” “freewheeling,” and creative approach

Takashi Nawa
Professor of Hitotsubashi University Business School, School of International Corporate Strategy

In October of last year, the Company reached a significant turning point with changes in its major shareholders. I have great expectations for this great opportunity whereby we can pursue new growth opportunities stemming from our collaboration with SBI Shinsei Bank, while maintaining our excellent relationship with NEC. In the financial business, where digitalization and incorporation of AI are under way, by combining NEC’s ICT technology with the SBI Group’s financial knowledge, I have no doubt that we will make even stronger progress toward the achievement of our Group vision.

During the previous fiscal year, we made major advances with initiatives focusing on our priority areas in renewable energy and resource recycling. This is a great example of our success in slightly different areas (evolution of existing areas or entirely

new areas) while making full use of our strengths. In the future, I look forward to even more creative ideas, and “unconstrained” and “freewheeling” endeavor. Compared to banks, leasing companies have a much broader range of operations and a greater degree of freedom. This is a great opportunity for the Company to engage in initiatives SBI Shinsei Bank could not undertake, in an “unconstrained” and “freewheeling” manner.

As a base to support this endeavor, however, non-financial indicators such as improving employee engagement scores are becoming more important. The management team has a responsibility to take the lead in hypothesizing and examining how non-financial indicators can be linked to the achievement of financial indicators.

I would like our employees to view this change in major shareholders as a learning opportunity. A mindset that does not fear change and embraces challenges can refine our unique strengths, lead to excitement at work, and open up the future for the Company.

Reshape of the Board following the change in the largest shareholder enabled deeper, higher-quality discussions

In line with the recent change in our largest shareholder, the Board of Directors paid special attention to the business alliance agreement that could form the foundation for achieving the Company’s growth strategies, from the viewpoint of protecting the minority shareholders, employees, and other stakeholders. Regarding the business alliance with NEC, the Board of Directors conducted a thorough and detailed review of the terms of the agreement to assess how best to continue our business collaboration with NEC. This collaboration is central to sustaining and enhancing the strengths we have developed over many years as a manufacturer affiliated leasing company. Regarding the business alliance with SBI Shinsei Bank and its group company Showa Leasing, we engaged in discussions to assess the compatibility of our businesses and potential for synergies. In particular, we identified the complementary nature of our customer bases and know-how as a basis for cooperation. Moreover, to preserve our independence as a listed company, we clarified in a memorandum of understanding that there would be no obligation to submit SBI Shinsei Bank’s recommended candidates for directors and corporate auditors directly to the General

Asako Yamagami
Partner, ITN Partners
Attorney at law admitted in Japan



Shareholders’ Meeting. Following this, the Election and Compensation Committee held meetings with outside director and outside corporate auditor candidates, making formal decisions after thoroughly looking at the way they utilize their expertise and commitment to enhancing the corporate value of the Company.

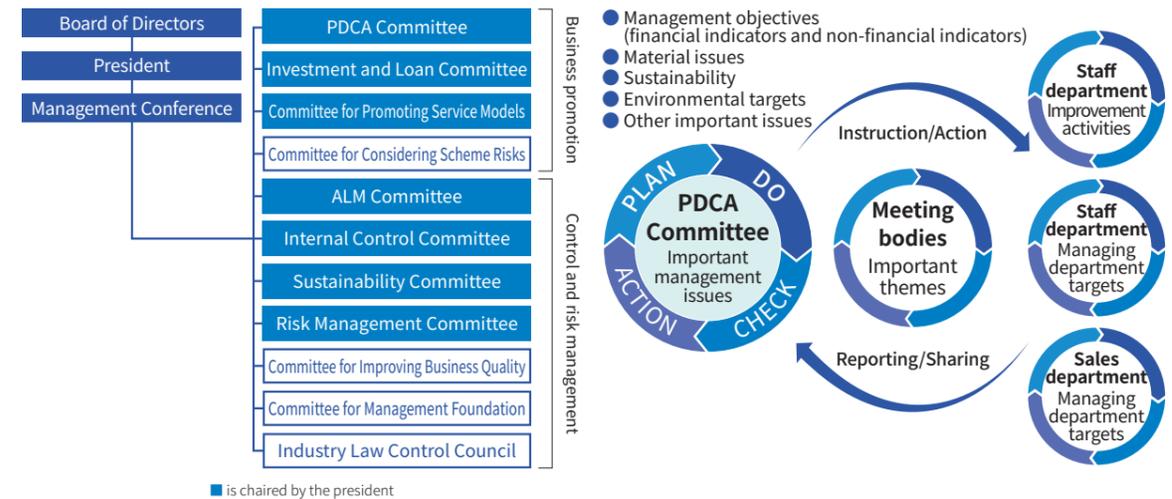
Through the participation of new outside directors and auditors who bring diverse perspectives from their banking experience, we have engaged in more substantive discussions particularly on financial risks at board meetings, while we have also seen shifts in the executive side’s approach to risk management and governance. This fiscal year, we will formulate a new Medium-term Plan, and while setting targets and discussing strategies under this new framework, we will also strengthen the environment that support our prudent risk taking as we aim to achieve the plan goals.

Management system supporting CSV management

PDCA management and main meeting bodies

The Company monitors and reviews business activities under the PDCA cycle, from the management level to the employee level. The PDCA Committee continues monitoring important matters related to the management objectives, material issues and sustainability on a monthly basis. This ensures decision-makings are communicated

to the employee level to make prompt actions. We have the PDCA cycle run surely at the employee level and a variety of committees as well, thus ensuring the important management indicators and issues to be reported and shared in a timely and appropriate manner. Each meeting body reports each theme to the Management Conference, the president, and the Board of Directors.



Enhancement of risk management

We view risk management and risk control as important elements in deciding on business development, and we distinguish between risks that should be managed as a source of income and non-income-generating risks that should be reduced. As financial products expand in scope and become more sophisticated, we are enhancing our monitoring functions and strengthening our management framework.

Integrative risk management (ERM)

We make every effort to recognize the various actual and potential risks that emerge in the course of the Group’s business execution, assessing them according to uniform criteria. We then carry out integrated risk management and operation while maintaining management stability and striving to maximize corporate value. We strive to prevent and avoid risks that may significantly impact our business activities through various meeting bodies regularly. We also have a system in place to report such risks to the Board of Directors or the Management Conference based on the degree of importance. We have established a governance system that, in the event that risks are expected to arise, enables prompt consultation with the Management Conference or Board of Directors on the policies set by the respective meeting body, enabling an immediate response.

Of the risks that should be managed, particularly credit, market, and operational risks arising mainly from sales activities, the Risk Management Department is the responsible department, and the Risk Management Committee chaired by the President handles the risks. Based on the risk appetite framework, the Committee works to ensure business continuity and improve

corporate value by allocating risk capital to each business segment in a manner that reflects management strategies, quantitatively measuring the relevant risks, and controlling the risk by comparing the measurement results with management capabilities. In the Medium-term Plan 2025, where we are working on improving profitability, risk management is becoming increasingly important. We are working to improve profitability by effectively using capital under appropriate risk management.

| Main meeting bodies for deliberating risk management | Risks to manage |
|--|--|
| Risk Management Committee | Credit, market, and operational risks |
| ALM Committee | Risks related to interest rates, funding, income and expenditure management, foreign currency, and liquidity |
| Internal Control Committee | Risks related to compliance, information security, audit, and internal control |
| Sustainability Committee | Climate-related risks |

Visit the following website for more details:
<https://www.necap.co.jp/ir/management/risk.html>
(available in Japanese only)



See ▶ P.29 for risk management related to climate change

Initiatives for respecting human rights

We recognize that respect for human rights is an important issue for management. By implementing Group-wide initiatives to respect human rights, we will identify and appropriately manage human rights risks, which will lead to solutions for social issues and the improvement of corporate value.

NEC Capital Solutions Group's Human Rights Policy

We have established the NEC Capital Solutions Group's Human Rights Policy*, and applied it to all directors and employees of the Group. We conduct human rights education, establish a complaint handling mechanism, and engage in human rights due diligence to ensure that all directors and employees of the Group perform their duties appropriately in accordance with this policy.

Details of the NEC Capital Solutions Group's Human Rights Policy*
<https://www.necap.co.jp/csv/humanrights.html>
 (available in Japanese only)



* Based on the "Guiding Principles on Business and Human Rights." These principles embody the UN framework on business and human rights approved by the UN Human Rights Council in 2011.

Main initiatives in the fiscal year ended March 31, 2025

In March 2025, we established the NEC Capital Solutions Group Sustainable Investment and Loan Policy, which defines businesses in which investment and loans are prohibited, as well as matters requiring attention, taking into account the presence and severity of environmental and social impacts in pursuing CSV management.

As part of our efforts to identify and assess human rights risks, we identified stakeholders related to our business activities, gained a broad understanding of potential risks, and further specified these risks through discussions with business divisions. Based on this, we received advice from external experts with extensive knowledge and experience in the field of "business and human rights" from a spectator's perspective, and identified key human rights issues in each of our business areas. Although the human rights risk assessment did not reveal any significant risks in the financial product area that could lead to serious human rights violations, we recognized the need to further enhance our methods for identifying and assessing human rights risks.

To deepen employees' understanding of "business and human rights," we conducted human rights training in FY2025/3, inviting external experts to give lectures. In addition, we conducted surveys with directors and employees at Group companies in Japan to gain an understanding of human rights risks and analyze the results. Going forward, we will continue to conduct human rights due diligence and work to prevent and mitigate human rights risks. In situations where we are expected to exercise influence, we will communicate our Human Rights Policy and shared values related to human rights to our business partners, including partner companies.

Column Establishment of Our Sustainable Investment and Loan Policy

In March 2025, we established the NEC Capital Solutions Group's Sustainable Investment and Loan Policy. The policy defines our approach to sustainability initiatives that we regard as important. Through the implementation of this policy, we aim to contribute to the sustainable development of the environment and society. The policy was discussed

by the Sustainability Committee and approved by the Board of Directors. We will review the policy on an ongoing basis and update or revise it as necessary.

Details of the NEC Capital Solutions Group's Sustainable Investment and Loan Policy
<https://www.necap.co.jp/csv/csrmanagement.html#c07>
 (available in Japanese only)



Thorough compliance

We recognize that thorough compliance is one of our most important management issues because the Company is subject to various laws and regulations and supervision by regulatory authorities as a business operator engaged in the money lending business and type II financial instruments business. In addition to establishing a Code of Conduct, we have also prepared the necessary training and frameworks/systems as part of efforts to constantly improve the awareness of business ethics and compliance among directors and employees in our Group.

Code of Conduct

The Group established the NEC Capital Solutions Group Code of Conduct which stipulates that all directors and employees are required to comply with relevant laws and regulations in their daily business activities and to take action consistent with social ethics. The

Code of Conduct consists of seven chapters: General Provisions; Respect for Human Rights; Our Relationship with Society; Our Relationship with Customers and Business Partners; Our Relationship with Shareholders and Investors; Management of Company Assets and Information; and Operating Systems.

Basic Position

| | |
|---|--|
| 1 | WE will comply with all applicable laws, rules, regulations, and in-house regulations, etc., including this Code, in every aspect of our corporate activities at all times. WE will strive to ensure that all corporate activities are in compliance with normal business practices and social ethics. |
| 2 | WE will maintain impartial, fair, and open relationships with all the stakeholders of our company and will conduct business in a fair manner with them. |
| 3 | WE will not take any action pursuing our personal or a third party's interests against our company's legitimate interests. |
| 4 | WE will not carry out any actions whatsoever that may damage the NEC Capital Solutions Group's social trust or honor. |
| 5 | WE will establish an effective internal control system and implement it. |
| 6 | WE will accurately and fairly maintain all accounting and other records in accordance with applicable laws, rules, regulations, and in-house regulations, and properly execute our duties. WE will not carry out any unlawful accounting transactions or actions that may cause losses to the NEC Capital Solutions Group. |
| 7 | With an awareness of our position as a member of society, WE will always act in accordance with a good social conscience based on high moral and ethical standards. |

Compliance promotion system

At the quarterly Internal Control Committee, the initiatives of each group company are controlled in a cross-sectional manner. Our regular compliance auditing consists of internal audits by the Auditing Department on the status of the Company's compliance to laws and regulations, the Articles of Incorporation and various

Compliance education

In order to ensure that all directors and employees of the Group understand the necessity and importance of compliance as the basis of all our business activities and execute operations properly according to the provisions of the NEC Capital Solutions Code of Conduct, we conduct compliance training annually, and all directors

Basic policy on exclusion of antisocial forces

We believe that excluding antisocial forces that threaten the order and security of civil society is an important issue for society overall. As a corporate group with social responsibilities, we established a basic policy

rules. And the Company has an external whistle-blowing hotline where any employee having discovered improper activities can report anonymously. Measures are in place to ensure that whistle blowers are not treated disadvantageously. The whistle-blowing system may be used by all directors and employees of the Group, including those of overseas group companies.

and employees, including temporary workers, of the Group receive the training.

| | FY2023/3 | FY2024/3 | FY2025/3 |
|---|----------|----------|----------|
| Compliance training participation rate (%)* | 100 | 100 | 100 |

* Consolidated results.

on antisocial forces, and set up a system to realize this policy.

Corporate governance (compliance)
<https://www.necap.co.jp/csv/governance/compliance.html>
 (available in Japanese only)



Improvement of information security

We are working on improving information security by building an information security system in line with the Ministry of Economy, Trade and Industry's "Cybersecurity Management Guidelines Ver. 3.0," while also making continuous improvements and implementing internal education.

Initiatives for improving information security

The Group has established a Fundamental Information Security Policy, and provides the appropriate security countermeasures for our information systems, for information we obtained individually, and for information provided to us by our customers and clients.

In addition to obtaining ISO/IEC 27001 certification in 2006 and PrivacyMark in 2020, we established a "Personal Information Protection Policy" and a personal information protection management system in compliance with JISQ 15001: Personal information protection management systems - requirements, to build a system to appropriately protect the personal information of customers.

Based on these, we conduct annual information security education to maintain and improve the level of information security, and take measures to address risks through the establishment of an information security management system. By doing so, we aim to maintain sound corporate activities and organizational operations and gain the trust of customers, business partners, and other parties.

Please refer to the following for details of the Fundamental Information Security Policy and information security measures.

| | FY2023/3 | FY2024/3 | FY2025/3 |
|---|----------|----------|----------|
| Information security training participation rate (%)* | 100 | 100 | 100 |

* Consolidated results. The scope includes all directors and employees, including temporary workers. Mid-career recruits are offered information security training as soon as they join the Company.

Fundamental Information Security Policy
<https://www.necap.co.jp/csv/governance/img/security2025.pdf>
 (available in Japanese only)

