

Compliance

The Company Group values the management that stresses compliance, because we believe that complying with law, regulations and social norms are the conditions for survival and development of a corporation. Therefore, we vigorously promote compliance throughout our group companies. In addition, we have the "Compliance Committee" in place as an organization that maintains and improves compliance. The chairperson of the Committee is the Company's president and the members include experts from outside of the Company. The Committee

provides education and guidance, revises regulations and develops manuals concerning compliance. Furthermore, it receives reports from the heads of Departments, Units, individual relevant Committees, and Presidents of our subsidiaries, regularly audits compliance status and provides recommendations for improvement, as needed.

We also try to obtain sound social recognition as a good corporate citizen by setting the compliance rules and carrying out our daily activities with more sincerity than ever.

Corporate Ethics Guiding Principles

- (1) We comply with laws and regulations in Japan and overseas. We respect for social norms and undertake sensible business activities as a member of the international society.
- (2) We develop and provide socially useful and safe technologies, products and services.
- (3) We voluntary and proactively work on environmental protection, no accidents and no disasters.
- (4) We properly disclose corporate information and secure transparency of the management.
- (5) We respect for individual personality and create a positive and employee-friendly workplace.
- (6) We properly manage information. We also give sufficient consideration for the protection of personal information.
- (7) We conduct social contribution activities as a good corporate citizen.

Respect for Human Rights

The Company Group puts into practice the Corporate Ethics Guiding Principle, "5) We respect for individual personality and create a positive and employee-friendly workplace." We respect for the basic human rights, value individuality and views of diverse employees regardless of their age, gender and nationality, and create an employee-friendly working environment by establishing various systems for good work-life balance such as childcare leave system.

We also clearly states prohibition of power harassment and sexual harassment in the Working Regulations and keep all employees informed about it. By way of caution, the consultation hotline system is also in place.

Consultation Hotline

Employees can directly report to the Compliance Committee through the hotline.

If non-compliance or possibility of non-compliance is detected, in principle, it should be handled based on the standard work procedure, including reporting to supervisor. However, if prompt and effective handling is difficult, the hotline system can be used to prevent non-compliance or to solve issues at an early stage. The reporting can be anonymous. Even if the reporter's name is specified, he/she will not receive any disadvantages by using this system.

Risk Management System

Management Office and assign Risk Managers in each department, office and subsidiary. In collaboration with the various Committees including Compliance Committee, they extract and evaluate risks of non-compliance of their workplace, check the implementation status of countermeasures against the risks, strengthen risk and emergency responses systems, and develop Business

Continuity Plan (BCP).

We also carry out risk management meeting that is composed of CRO, Risk Managers, and the Risk Management Office. At the meeting, information concerning risk management of the entire corporate group is shared through annual plan of risk management activities, annual review and activity report from each department.



Information Disclosure

General Meeting of Shareholders

The Company considers the General Meeting of Shareholders as a venue of dialogue between our shareholders and the management. In order to have many shareholders at the General Meeting of Shareholders, we avoid organizing the regular General Meeting of Shareholders on the first concentrated day.



IR Briefing

In Japan, we conduct the IR Briefing Meeting for analysts and newspaper journalists twice a year. Overseas, we conduct the IR Briefing Meeting for investors once a year.

We also publish the brief Financial Results Report, Securities Report, Business Report, Annual Report, and Financial Settlement Supplementary Information on our home page.

