

## Corporate Governance Report

Last Update: December 22, 2021

Asahi Broadcasting Group Holdings Corporation

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<https://corp.asahi.co.jp/en/index.html>

The corporate governance of Asahi Broadcasting Group Holdings Corporation (the “Company”) is described below.

### I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

#### 1. Basic Views Updated

The Company’s basic views on corporate governance are as follows:

(1) The Group, as a corporate group with broadcasting business as its core, firmly recognizes the highly public nature of broadcasting and its own social responsibilities, strictly complies with the Broadcast Act and other relevant regulations, and contributes to the development of society and culture guided by the Group Business Philosophy.

(2) The Group builds good relationships with a diverse range of stakeholders, including shareholders, viewers, listeners, advertisers, business partners, employees and local communities, and strives for both sustainable growth and improved corporate value to meet their expectations. This is prefaced on maintaining a management base capable of sustaining under all circumstances information dissemination through broadcasting that preserves and develops the daily lives of residents, as a media organization with a mandate to utilize the broadcasting spectrum, a public asset, in an effective manner.

(3) As an institutional design for corporate governance, the Company has chosen an Audit and Supervisory Committee-based framework. The Company has devised a structure whereby the role of the Board of Directors is to promote sustainable corporate growth and the increase of corporate value, while independent outside directors and Audit and Supervisory Committee conduct monitoring and audits essential to highly effective management.

(4) The Company has made the following commitments to ensure robust corporate governance:

1. Ensure the rights and equality of shareholders
2. Encourage active information disclosure and dialogue with shareholders and investors
3. Sustainability initiatives
4. Strengthen the functions of directors, etc.
5. Establish and effectively operate an internal control system

(5) To enact the aforementioned commitments, the Company, via the Board of Directors, has defined the “Corporate Governance Policy,” and updates the content of the policy as necessary.

**[Reasons for Non-compliance with the Principles of the Corporate Governance Code] Updated**

Principle 4.11 Preconditions for Board and *Kansayaku* Board (Audit and Supervisory Board)  
Effectiveness

Supplementary Principle 4.11.1

The Company nominates candidates for directors irrespective of their gender, career history or age based on the nominations policy prescribed by the Company. However, because the Company is a certified broadcasting holding company, it is unable to appoint directors who are foreign nationals. In addition, the Company appoints persons with the appropriate experience and capabilities and the necessary knowledge concerning finance, accounting and law as directors who are Audit and Supervisory Committee members, with a composition that ensures diversity. The Company will continue to consider initiatives to ensure diversity in aspects such as gender and age. The Company plans to disclose the so-called skills matrix, which lists the knowledge, experience and abilities of each director in accordance with the skills considered necessary on the Board of Directors to deal with the business environment, business characteristics and other matters in the convocation notice for the next ordinary general meeting of shareholders. The Company’s independent outside directors have business management experience at other companies.

The code required in choosing the Prime Market will be addressed in the report to be submitted in June 2022.

**[Disclosure Based on the Principles of the Corporate Governance Code] Updated**

The Company publishes its corporate governance policy based on the principles of the Corporate Governance Code as the “Asahi Broadcasting Group Holdings Corporate Governance Policy” (hereinafter “CG Policy”) on the Company’s website (<https://corp.asahi.co.jp/en/ir/governance/policy.html>).

Matters that should be disclosed under the Corporate Governance Code are as follows.

Principle 1.4 Cross-shareholdings

Please refer to Article 8 (Ownership of Shares in Other Companies) of the CG Policy.

Please refer to Article 6-4 (Cross-shareholders) in relation to Supplementary Principle 1.4.1 and to Article 7 (Policy Regarding Transactions Between Related Parties, etc.) in relation to Supplementary Principle 1.4.2.

Principle 1.7 Related Party Transactions

Please refer to Article 7 (Policy Regarding Transactions Between Related Parties, etc.) of the CG

Policy.

#### Principle 2.4 Ensuring Diversity, Including Active Participation of Women

##### Supplementary Principle 2.4.1

Please refer to 4 (Promoting Diversity) under Article 13 (Sustainability Management) of the CG Policy. In addition, please refer to page 35 of the Corporate Report (Integrated Report) 2021 “Initiatives for promoting diversity of human resources and creating diverse, creative human resources” (<https://corp.asahi.co.jp/ja/company/report.html>).

The Company formulated the ABC Group Human Resources Development Policy on November 8, 2021.

##### ABC Group Human Resources Development Policy (Summary)

Human resources capable of responding to change are necessary for self-innovation of existing businesses and to foster the development of new businesses in order to achieve sustainable growth of the entire Group. The required capabilities are leadership, management ability and innovative thinking. To foster such capabilities, we not only provide leadership development and other training, but also provide training with external parties and conduct external dispatch of our employees. In addition, the Company will promote training assignments and selective personnel promotions that span divisions within each Group company as well as personnel interchange (interactions) inside and outside the Group.

#### Principle 2.6 Roles of Corporate Pension Funds as Asset Owners

Please refer to Article 11 (Performing the Role of Asset Owner) of the CG Policy.

#### Principle 3.1 Full Disclosure (i)

Please refer to Article 1 (Business Philosophy) and Article 2 (Business Plan) of the CG Policy.

#### Principle 3.1 Full Disclosure (ii)

Please refer to the “1. Basic Views” under “I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information” at the beginning of this report and the full text of the CG Policy.

#### Principle 3.1 Full Disclosure (iii)

Please refer to Article 22 (Remuneration Policy) of the CG Policy.

#### Principle 3.1 Full Disclosure (iv)

Please refer to Article 14 (Appointment and Dismissal of Directors), Article 15 (Appointment of Audit and Supervisory Committee Members) and Article 20 (Appointment and Dismissal of Chief Executive Officer and Grooming of a Successor) of the CG Policy.

#### Principle 3.1 Full Disclosure (v)

Please refer to Article 18 (Disclosure of Reasons for Selection of Director Candidates and Dismissal of Directors) of the CG Policy.

##### Supplementary Principle 3.1.2

Please refer to 4. (Method of Information Disclosure and Public Release) under Article 9 (Information Disclosure and Public Release) of the CG Policy.

At present, key disclosure documents and convocation notices for general meetings of shareholders, etc. are disclosed in English. The Company will broaden the scope of information disclosed and provided in English in the future in light of the ratio of foreign shareholders.

##### Supplementary Principle 3.1.3

###### 1. Initiatives on sustainability

Please refer to Article 12 (Response to Sustainability Issues) and Article 13 (Sustainability Management) of the CG Policy.

###### 2. Investment in human capital

In order for the overall Group to grow amid the rapidly changing business environment and increasing uncertainty in society, the Company set four priority targets in the Medium-term Management Strategy “NEW HOPE,” with advancements being made in one of those targets, “Strengthen and diversify human resources throughout the Group.” Please refer to “Strengthen and diversify human resources throughout the Group” on pages 34 and 35 of the Corporate Report (Integrated Report) 2021 (Japanese only) for details of the specific initiatives. (<https://corp.asahi.co.jp/ja/company/report.html>)

###### 3. Investment in intellectual property

The content of Asahi Television Broadcasting’s programs, etc., which are the core of the Asahi Broadcasting Group and each Group company’s content are intellectual property in which we are investing aggressively.

#### Principle 4.1 Roles and Responsibilities of the Board (1)

##### Supplementary Principle 4.1.1

Please refer to Article 23 (Authority and Role of the Board of Directors) of the CG Policy.

#### Principle 4.9 Independence Standards and Qualification for Independent Outside Directors

Please refer to Article 17 (Independence Standards) of the CG Policy and the details in this report under [Independent Officers] within “1. Organizational Composition and Operation” of “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management.”

#### Principle 4.10 Use of Optional Approach

##### Supplementary Principle 4.10.1

Please refer to Article 24 (Establishment of the Nomination and Compensation Committee) of the CG

Policy. The Company will further consider and disclose its basic views on the independence of the committee's composition, its authority and role, etc.

Principle 4.11 Preconditions for Board and *Kansayaku* Board Effectiveness

Supplementary Principle 4.11.2

Please refer to Article 19 (Policy Regarding Concurrent Positions) of the CG Policy.

Concurrent positions as officers of other listed companies by the Company's directors are as follows.

Keiji Kameyama

Member of the Board of TV Asahi Holdings Corporation

Takehiro Honjo

Chairman and Director of Osaka Gas Co., Ltd.

Michio Yoneda

Outside Corporate Auditor of Sumitomo Chemical Co., Ltd.

Outside Director of Toyo Tire Corporation

Misako Fujioka

Representative Director, Chairman of FUSO CHEMICAL CO., LTD.

Principle 4.11 Preconditions for Board and *Kansayaku* Board Effectiveness

Supplementary Principle 4.11.3

Please refer to Article 26 (Evaluating Board of Directors Effectiveness) of the CG Policy. The results of the self-assessment of the Board of Directors for FY2020 indicates that it is generally operating appropriately. Furthermore, to improve the effectiveness of the Board of Directors, the Company will work to keep the materials for agenda items concise and easy to understand. Materials will also be provided and updated in a prompt manner and include the points of internal discussion. In addition, the Company will provide regular opportunities for discussion on the management strategy and business plan, and further promote the sharing of information and exchange of opinions with outside directors.

Principle 4.14 Director and *Kansayaku* (Audit and Supervisory Board Member) Training

Supplementary Principle 4.14.2

Please refer to Article 28 (Training for Directors) of the CG Policy.

Principle 5.1 Policy for Constructive Dialogue with Shareholders

Please refer to Article 10 (Dialogue with Shareholders and Investors) of the CG Policy.

## 2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
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### [Status of Major Shareholders] Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
The Asahi Shimbun Company	6,224,900	15.15
TV Asahi Holdings Corporation	3,877,600	9.44
Kosetsu Museum of Art Public-interest Incorporated Foundation	2,930,000	7.13
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,639,300	3.99
Teikyo University	1,571,000	3.82
Asahishimbun Credit Cooperative	1,500,000	3.65
Osaka Gas Co., Ltd.	1,065,000	2.59
Nippon Life Insurance Company	1,005,200	2.45
Kintetsu Bus co., ltd.	800,000	1.95
Takenaka Corporation	776,600	1.89

Controlling Shareholder (except for Parent Company)	-
Parent Company	None

Supplementary Explanation	
-	

## 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, First Section
Fiscal Year-End	March
Type of Business	Information & Communication
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥10.0 billion to less than ¥100.0 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

#### **4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder**

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#### **5. Other Special Circumstances which may have Material Impact on Corporate Governance**

The Company has a listed subsidiary DLE, Inc. (“DLE”)

The Company has set the “Asahi Broadcasting Group Companies Management and Administration Regulations” and defined rules concerning the sharing of information and reporting of business operations within the Group; in parallel, under “Group Companies Management and Administration Regulations” formulated by subsidiaries, subsidiaries are obligated to report their important information to the Company. However, these regulations do not apply to DLE and its subsidiaries. By executing an individual governance agreement, the independence of decision-making as a listed company is maintained without being detrimental to DLE’s minority shareholders and management is conducted in a way that maintains and improves the corporate value of both the parent and subsidiary. In addition, when becoming a subsidiary in May 2019, DLE was designated as a securities on alert, but this designation was removed in February 2020 through the efforts to strengthen governance by building internal controls systems with personnel support from the Company. The Company also believes that the removal of the designation has led to the benefits of minority shareholders. DLE transitioned to a company with Audit and Supervisory Committee in June 2021. The Company will continue to provide support to DLE so that its control systems can be maintained and function autonomously.

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with Audit and Supervisory Committee
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	12
Appointment of Outside Directors	Appointed
Number of Outside Directors	6
Number of Independent Officers out of Outside Directors	4

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Takeshi Kobayashi	From another company							○				
Keiji Kameyama	From another company									○		
Misako Fujioka	From another company											○
Michio Yoneda	From another company								△			
Akihiro Kuroda	From another company								△			
Takehiro Honjo	From another company								○			

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/Audit and Supervisory Committee member

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)



- i. Executive of a company, between which and the Company outside directors/Audit and Supervisory Committee members are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2)

Name	Audit and Supervisory Committee Member	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons of Appointment
Takeshi Kobayashi			Mr. Takeshi Kobayashi is an Executive Director of The Asahi Shimbun Company, which is a major shareholder of the Company. The Company is an equity-method affiliate of The Asahi Shimbun Company. The Asahi Shimbun Company and the Company also have a business alliance.	Mr. Takeshi Kobayashi has detailed understanding of the media sector as a manager of a media organization, which is the same as the Company's subsidiary. Based on this background, the Company believes he is capable of conducting appropriate oversight and supervision duties as well as providing effective advice and input with respect to business management and corporate governance, including from the standpoint of public service and broadcasting ethics. The Company therefore has appointed him as Outside Director.
Keiji Kameyama			Mr. Keiji Kameyama is an Executive Director of TV Asahi Holdings Corporation and Representative Director of its subsidiary TV Asahi Corporation. TV Asahi Corporation conducts broadcasting operations as a key station in the same affiliate network as the Company's subsidiary, and it is a specified associated service provider (major business partner) of the Company's	Mr. Keiji Kameyama has extensive experience as a manager in the TV Sales Division and Programming Division of the same TV broadcasting organization as the Company's subsidiary, as well as detailed understanding of the broadcasting sector. Based on this background, the Company believes he is capable of conducting appropriate oversight and supervision duties as well as providing effective advice and input with

			<p>subsidiary. In addition, Mr. Shinya Yamamoto, Representative Director of the Company, is an Outside Member of the Board of TV Asahi Corporation. TV Asahi Corporation and the Company have appointed outside directors to their respective boards under a reciprocal arrangement.</p>	<p>respect to business management and corporate governance, including from the standpoint of public service and broadcasting ethics. The Company therefore has appointed him as Outside Director.</p>
Misako Fujioka	○	○	<p>Ms. Misako Fujioka is Representative Director of Teikoku Seiyaku Co., Ltd. and FUSO CHEMICAL CO., LTD. and there are no transactions between the Company and both these companies.</p>	<p>Ms. Misako Fujioka has extensive experience of management developed over many years as a business executive of a pharmaceutical manufacturer and high level of insight regarding compliance and work-style reform. Based on this background, the Company believes she is capable of appropriately auditing the duties of the Company's officers and employees and providing effective advice and input with respect to the Company's business management and corporate governance. The Company therefore has appointed her as Outside Director who is an Audit and Supervisory Committee member. She also satisfies the Company's "Independence Standards for Outside Directors." Consequently, the Company has no concerns about conflict of interest with ordinary shareholders and designates her as an Independent Officer.</p>
Michio Yoneda	○	○	<p>Mr. Michio Yoneda has previously served in positions including Representative Director as well as</p>	<p>Mr. Michio Yoneda has served in positions including president and representative director of stock exchanges. Based</p>

			<p>Director and Representative Executive Officer of Osaka Securities Exchange Co., Ltd. and Japan Exchange Group, Inc., but he is currently not involved in business execution. The Company pays annual listing fees to Tokyo Stock Exchange, Inc., but the amount paid by the Company in the most recent fiscal year (period ended March 31, 2021) is insignificant.</p>	<p>on his extensive management experience developed in these positions and his high level of insight regarding compliance and stock markets, the Company believes he is capable of conducting appropriate oversight and supervision duties as well as providing effective advice and input with respect to business management and corporate governance. The Company therefore has appointed him as Outside Director who is an Audit and Supervisory Committee member. He also satisfies the Company's "Independence Standards for Outside Directors." Consequently, the Company has no concerns about conflict of interest with ordinary shareholders and designates him as an Independent Officer.</p>
Akihiro Kuroda	○	○	<p>Mr. Akihiro Kuroda is part-time Chairman of KOKUYO Co., Ltd. and there are business transactions related to the purchase of office equipment and stationery by the Company from KOKUYO Co., Ltd., but the amount paid by the Company in the most recent fiscal year (period ended March 31, 2021) is insignificant.</p>	<p>Mr. Akihiro Kuroda has extensive knowledge of management and compliance developed over many years of experience as a business executive of a major Osaka-based manufacturer of stationery and office equipment. Based on this background, the Company believes he is capable of conducting appropriate oversight and supervision duties as well as providing effective advice and input with respect to business management and corporate governance. The Company therefore has appointed him as Outside Director who is an Audit and Supervisory</p>

				Committee member. He also satisfies the Company's "Independence Standards for Outside Directors." Consequently, the Company has no concerns about conflict of interest with ordinary shareholders and designates him as an Independent Officer.
Takehiro Honjo		○	Mr. Takehiro Honjo is Director of Osaka Gas Co., Ltd., and the Company pays fees related to gas consumption to Osaka Gas Co., Ltd., but the amount paid by the Company in the most recent fiscal year (period ended March 31, 2021) is insignificant.	Mr. Takehiro Honjo has experience as a business executive of an energy supply company based in the Kansai region. Based on this background, the Company believes he is capable of conducting appropriate oversight and supervision duties as well as providing effective advice and input with respect to business management and corporate governance, including from the standpoint of public service and regional contribution. The Company therefore has appointed him as Outside Director. He also satisfies the Company's "Independence Standards for Outside Directors." Consequently, the Company has no concerns about conflict of interest with ordinary shareholders and designates him as an Independent Officer.

**[Audit and Supervisory Committee]**

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Internal Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	5	2	2	3	Internal Director

Appointment of Directors and/or Employees to Support the Audit and Supervisory Committee	Appointed
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Matters Related to the Independence of Such Directors and/or Employees from Executive Directors

The Company has established an Audit and Supervisory Committee Office to assist the duties of Audit and Supervisory Committee, and has formulated the “Regulations for Employees Assisting the Duties of Audit and Supervisory Committee” to ensure the independence and efficacy of the office.

The Audit and Supervisory Committee Office consists of several individuals, including a dedicated office director, with ample consideration given to experience, knowledge and capabilities in the appointment of employees.

Employees attached to the Audit and Supervisory Committee Office follow the directives and orders of the Audit and Supervisory Committee. Transfers, performance reviews, and commendations or sanctions of dedicated employees attached to the Audit and Supervisory Committee Office occur with prior approval of the Audit and Supervisory Committee. The Company’s directors and employees are careful to avoid placing any undue constraints on the employees of the Audit and Supervisory Committee Office that might hinder their independence.

Cooperation among Audit and Supervisory Committee, Independent Auditor and Internal Audit Division

The Audit and Supervisory Committee and the independent auditor hold regular briefings concerning the Audit and Supervisory Committee’s audit plans and audit implementation and exchange opinions as necessary if there are other proposals.

The Company has established an Internal Audit Office under the direct authority of the Representative Director, and while the Internal Audit Office is in charge of the internal audit, the Audit and Supervisory Committee works in collaboration with the Internal Audit Office such as by receiving reports from the Internal Audit Office concerning internal audit themes and the internal audit reports reported to the President.

In addition, outside directors, including independent outside directors, and the General Manager of the Internal Audit Office attend the meeting where the external independent auditor presents the year-end audit report, etc. to the Audit and Supervisory Committee, thereby ensuring cooperation.

**[Voluntary Establishment of Nomination/Compensation Committee]**

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee	Established
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Status of Voluntary Establishment of Committee(s), Composition of Members, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Compensation Committee
Committee's Name	Nomination and Compensation Committee	Nomination and Compensation Committee
All Committee Members	5	5
Full-time Members	5	5
Internal Directors	1	1
Outside Directors	3	3
Outside Experts	1	1
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

The Company voluntarily establishes the Nomination and Compensation Committee as an advisory body to the Board of Directors. The committee consists of a majority of independent outside directors, which meets several times a year, and, with the involvement and advice of the outside directors, reports its findings on the appointment and dismissal of the representative director and president, the successor grooming plan and grooming status, director candidate proposals, and basic design for compensation for directors, etc. Following its establishment in June 2019, the committee has met in August 2019, January, May, August and November 2020, and January, February and May 2021, with all members in attendance.

**[Independent Officers]**

Number of Independent Officers	4
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Matters relating to Independent Officers

The Company invites corporate managers with extensive experience in a variety of industries to be outside directors based on them having adequate understanding of the Company's business. The Company defines its Independence Standards for Outside Directors as follows and designates outside directors with adequate qualifications to be independent officers as independent officers.

<Independence Standards for Outside Directors>

Outside Directors for the Company deemed to be independent must not meet any of the criteria as follows.

- (1) Individuals, either currently or during the last 10 years, who are:
- (i) An executive director, executive and/or key employee of a company at which either an executive director or key employee (\*Note 2: same applies below) of the Group (\*Note 1: same applies below) is posted as an officer
  - (ii) A major shareholder owning 10% or more of the Company's voting rights or an executive director, executive and/or key employee thereof
  - (iii) An executive director, executive and/or key employee of a company attempting to position the Group as an important business partner (\*Note 3), or of said company's parent company or key subsidiary
  - (iv) An executive director, executive and/or key employee of a company that is an important business partner of the Group (\*Note 4), or of said company's parent company or key subsidiary
  - (v) A consultant, accounting specialist, and/or legal specialist receiving cash and other assets equivalent to 10 million yen or more annually from the Group beyond compensation as a director (if the entity receiving the stated assets is a corporation, union or other organization, then any individual belonging to said organization)
  - (vi) A director or key business executive of an organization receiving donations or assistance from the Group of 10 million yen or more annually
  - (vii) An executive director, executive and/or key employee of a company that is a member of the television network affiliate group to which subsidiaries of the Company belongs.
- (2) Individuals whose spouse or second-degree relatives currently are:
- (i) An executive director or key employee of the Company or its subsidiaries
  - (ii) Individuals to whom any of the criteria stipulated in (1) (items (i) through (vii)) above apply.
- (3) Any individuals for which there is a concern of permanent, actual conflicts of interests with the Company's general shareholders as a whole.

\*Note 1: "The Group" shall mean the Company and those companies, from among the subsidiaries and affiliates of the Company that are deemed to have a particularly important relationship with the Company, as prescribed in the Group Company Management and Administration Regulations.

\*Note 2: "Key employee" typically refers to rank of manager and above.

\*Note 3: A "company attempting to position the Group as an important business partner" refers to any company receiving 2% or more of its annual consolidated net sales from the Group in its most recent business year.

\*Note 4: A "company that is an important business partner of the Group" refers to any company accounting for 2% or more of the Company's annual consolidated net sales, or any company providing financing to the Group totaling 2% or more of the Company's consolidated total assets, for the most recent business year.

**[Incentives]**

Incentive Policies for Directors	Performance-linked Remuneration/Other
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## Supplementary Explanation

The Company pays bonuses to executive directors once annually in line with Group operating results for the previous fiscal year, subject to the condition that the Group records positive consolidated ordinary profit. In addition, performance-based compensation is paid based on qualitative elements such as the business management capabilities, achievements and degree of contribution of each executive director and on consolidated financial results forecasts with reference to the consolidated budget.

In addition, to share the same interests with shareholders and provide medium- to long-term incentives, the Company grants to executive directors restricted shares within a maximum amount of ¥80 million per year and a maximum of 150,000 shares per year as monetary compensation claims, in addition to the maximum amount of ¥500 million per year of monetary compensation claims, by resolution of the Board of Directors; these shares cannot be sold during the directors' tenure.

## Recipients of Stock Options

## Supplementary Explanation

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**[Director Compensation]**

Disclosure of Individual Directors' Compensation	No Individual Disclosure
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## Supplementary Explanation

Details of officer compensation is as follows.

## 1. Maximum amount of compensation

The maximum amount of compensation for directors (excluding directors who are Audit and Supervisory Committee members) approved by resolution of the 91st Ordinary General Meeting of Shareholders held on June 21, 2018:

¥500 million per year, of which compensation for outside directors is ¥50 million

The maximum amount of compensation for directors who are Audit and Supervisory Committee members

¥110 million per year, of which compensation for outside directors is ¥30 million

## 2. Compensation paid to directors (Fiscal year ended March 31, 2021)

Directors (excluding Audit and Supervisory Committee members and outside directors):

Total of ¥94 million for 7 members



Directors (Audit and Supervisory Committee members. Excluding outside directors):

Total of ¥27 million for 3 members

Outside officers: Total of ¥36 million for 8 members

Policy on Determining Compensation Amounts  
and Calculation Methods

Established

#### Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

Concerning the compensation, etc. of directors (excluding directors who are Audit and Supervisory Committee members), the Company has established compensation systems and levels commensurate with their respective responsibilities, considering the need to secure and retain outstanding human resources to respond to the mandate of shareholders and the need to provide incentives to improve business performance.

The compensation of executive directors comprises annual compensation and bonuses. In addition to basic compensation, position-based compensation and representative compensation, which are fixed compensation, annual compensation consists of short-term performance-linked compensation as performance-based compensation, each of which has its own calculation criteria. Basic compensation and position-based compensation consist of cash and stock-based compensation. Other compensation consists of cash compensation only. Bonuses for executive directors are paid once annually in line with Group operating results for the previous fiscal year, subject to the condition that the Group records positive consolidated ordinary profit.

Basic compensation is set as monthly fixed compensation in light of quantitative elements such as corporate performance, compensation of other companies in related industries, rate of increase of employee salary and the number of years of continuous service, etc. and in reference to the amount of annual salary of employees in the highest position. Position-based compensation is monthly fixed compensation capped at 70% of the amount of basic compensation for each position. Representative compensation is monthly fixed compensation capped at 20% of the amount of basic compensation for Representative Directors. Performance-based compensation is set for each executive director and paid monthly as short-term performance-linked compensation, capped at 70% of the amount of basic compensation, and considers qualitative elements such as the business management capabilities, achievements and degree of contribution of each executive director as well as corporate performance. Group consolidated ordinary profit and consolidated net sales are selected as performance indices for performance-linked compensation, etc. To strengthen the linkage between the compensation and the medium- to long-term enhancement of corporate value, the Company has adopted restricted stock compensation as non-cash compensation for executive directors, which is paid as part of basic compensation and position-based compensation annually in July.

The Board of Directors resolves the basic design of compensation for executive directors following consultation with the Nomination and Compensation Committee. The annual compensation, etc. for

each executive director is determined by resolution of the Board of Directors' meeting held after the conclusion of the Ordinary General Meeting of Shareholders each year, in line with the basic design, including the resolution to delegate the decision to the Representative Director and President who oversees the overall Company. The authority of the Representative Director and President subject to such resolution for delegation is for the amount of basic compensation for each director, and the evaluation and allocation of performance-based compensation and bonuses in light of the evaluation and performance of each director. For non-cash compensation (stock-based compensation), the Board of Directors resolves the number of shares to be delivered to each individual director considering reports from the Nomination and Compensation Committee.

Regarding compensation of outside directors, taking into account their independence from business execution, the Company has established compensation systems and levels that exclude elements pegged to fluctuations in business performance.

Compensation for directors who are Audit and Supervisory Committee members consists solely of annual compensation (fixed compensation). To attain fairness in the amount of compensation for each Audit and Supervisory Committee member and ensure that auditing functions effectively, the amount of compensation is determined through discussion of the Audit and Supervisory Committee within the maximum amount of compensation for directors who are Audit and Supervisory Committee members approved by resolution at the general meeting of shareholders.

The amount of compensation, etc. is determined by resolution of the Board of Directors within the maximum amount of compensation of directors approved by resolution at the general meeting of shareholders.

At the Ordinary General Meeting of Shareholders held on June 29, 2005, the Company passed a resolution to abolish its retirement benefit payment plan for officers. For reappointed directors and *Kansayaku* (Audit and Supervisory Board Members) in office as of the same meeting, retirement benefit payments were made upon their retirement for the period from the beginning of each of their tenures to the conclusion of the meeting. There are currently no eligible persons.

#### **[Supporting System for Outside Directors]**

Materials on issues of substantial importance for the Board of Directors are distributed to outside directors in advance, and executive directors provide to outside directors (and standing Audit and Supervisory Committee members provide to outside Audit and Supervisory Committee members) explanation in advance, as necessary.

**[Retired Representative Directors and Presidents, Etc.]**

Information on retired Representative Directors and Presidents, etc. holding advisory positions (senior advisors, advisors, etc.)

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president, etc. ended	Term
-	-	-	-	-	-

Number of retired Representative Directors and Presidents, etc. holding advisory positions (senior advisors, advisors, etc.)	-
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Others

The Company and the Company's subsidiary Asahi Television Broadcasting Corporation had a system that enabled the employment of persons who had been Representative Directors in senior advisor positions by resolution of the Board of Directors, but this was abolished at the end of March 2020.

**2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)**

The Company is a company with Audit and Supervisory Committee, and its business execution is conducted in accordance with resolutions of the Board of Directors or by the Board of Executive Officers, comprised of executive directors, as well as other approval procedures.

The Board of Directors in principle meets once a month and the Board of Executive Officers meets regularly every other week.

The Board of Directors comprises 12 directors, including one woman. This includes six (or one-half) who are outside directors with extensive knowledge and experience as corporate managers.

The Audit and Supervisory Committee comprises two standing Audit and Supervisory Committee members and three outside Audit and Supervisory Committee members, including one woman. All outside Audit and Supervisory Committee members have considerable insight concerning finances and accounting, and are currently or have previously worked as representative directors of major companies, etc. Two standing Audit and Supervisory Committee members, who are well versed in overall business execution, and outside Audit and Supervisory Committee members collaborate in adequately fulfilling their supervisory function over executive directors and executive officers, such as by conducting effective audits based on audit standards prescribed by the Audit and Supervisory Committee. Initiatives to strengthen the function of the Audit and Supervisory Committee are

implemented such as by appointing a highly-independent dedicated officer director to the Audit and Supervisory Committee Office who, together with several office members, assists the Audit and Supervisory Committee in its duties and operations.

The Company has appointed Deloitte Touche Tohmatsu LLC as the independent auditor, which mutually cooperates with the Audit and Supervisory Committee to undergo audits in accordance with the Companies Act and Financial Instruments and Exchange Act and to ensure the appropriateness of its accounts. The certified public accountants who were engaged in the audit were Takashi Okumura and Tetsuya Chihara. The number of consecutive years of audit relating to the listed company is less than seven years and the assistants for the audit comprised seven certified public accountants, five partly-qualified accountants and two others.

Under the Company's corporate governance system, as noted above, the Audit and Supervisory Committee oversees the execution of duties by directors, and to further ensure the trust of all shareholders and investors, the Board of Directors is a "board of directors comprised of mainly outside directors."

In 2019, the Company voluntarily established the Nomination and Compensation Committee, which meets multiple times each year. It receives advice from the Board of Directors and reports on issues such as the appointment and dismissal of the Representative Director and President, the status of planning and grooming of a successor, proposed candidates for directors and executive officers, and the basic design of compensation for directors and executive officers.

### **3. Reasons for Adoption of Current Corporate Governance System**

As an institutional design for corporate governance, the Company has chosen an organizational structure of a company with Audit and Supervisory Committee. The Company has devised a structure whereby the role of the Board of Directors is to promote sustainable corporate growth and the increase of corporate value, while independent outside directors and the Audit and Supervisory Committee conduct monitoring and audits essential to highly effective management.

This type of system is believed to strengthen the supervisory function over executive directors and executive officers, maintain sound business management and transparency of decision-making, while also stimulating the Board of Directors through the incorporation of outside opinions.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company issues the convocation notice earlier than the statutorily required date, and discloses the notice on the Company's website prior to its dispatch. In respect of the 94th Ordinary General Meeting of Shareholders in 2021, the notice was mailed on June 7 (Monday), one business day before the statutorily required date, and posted on the inspection document section of the Tokyo Stock Exchange and on the Company's website on May 27 (Thursday).
Scheduling General Shareholder Meetings Avoiding the Peak Day	In recent years, with the exception of the General Meeting of Shareholders held in June 2012, the meetings have been scheduled to avoid the primary peak day.
Allowing Electronic Exercise of Voting Rights	Electronic exercise of voting rights has been introduced since 2003.
Providing Convocation Notice (Summary) in English	Since 2016, the convocation notices for Ordinary General Meetings of Shareholders and reference materials have been produced in English, disclosed on the Tokyo Stock Exchange and posted on the Company's website.

#### 2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company formulated the IR and Information Disclosure Policy in 2015, which concerns the systems and initiatives to foster constructive dialogue with shareholders and investors, and posts this on the Company's website.	
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds briefings for analysts and institutional investors twice a year. The Representative Director and President and executive officers provide detailed explanation of the financial results, business, and the business plan.	Yes
Posting of IR Materials on Website	The consolidated financial reports, securities reports (Japanese only), quarterly securities reports (Japanese only), extraordinary report (Japanese only), and timely disclosure materials, etc. are posted on the Company's website.	

Establishment of Department and/or Manager in Charge of IR	The Company has appointed an executive officer in charge of IR, and full-time staff in charge of IR administration work under the Management Strategy Division.	
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### 3. Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanations	
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>As a basic policy on IR activities, the Company recognizes all of its many stakeholders, including shareholders and investors, the Group's viewers, listeners, advertisers, business partners, employees and local communities as supporters of the Group and ABC fans. Along with its current status and operating results, the Company conveys information on its management policies and growth strategies in a fair, accurate and accessible manner and strives to deepen understanding of the Group through robust communication with its diverse base of stakeholders.</p>	
Implementation of Environmental Protection Activities, CSR Activities etc.	<p>Given the extremely high expectations for corporate environmental initiatives and considerations, we believe that corporate environmental management is an indispensable part of our business. Therefore, the Company has established the ABC Group Environmental Policy, which is published on our corporate website (<a href="https://corp.asahi.co.jp/en/csr/environment.html">https://corp.asahi.co.jp/en/csr/environment.html</a>). The following is an overview of this policy.</p> <p>(1) We will comply with laws and regulations on environmental conservation, promote the effective use of sustainable energy, control our energy consumption, recycle and reduce our waste generation, and lighten the environmental load caused by our Group's business activities.</p> <p>(2) In order to pass on this irreplaceable global environment to our children who will lead the coming generation, we will pose questions and raise awareness about global environmental issues through Group-produced programs and Group-held events.</p> <p>(3) In response to the natural disasters that are occurring with greater frequency as a result of changes in the global environment, we will convey information in a timely, appropriate, and reliable manner and in a way that is useful for disaster prevention and mitigation through broadcasting and other media.</p> <p>(4) We will raise awareness of environmental issues among Group</p>	

	<p>employees and work together with local communities in activities contributing to conservation of the global environment.</p> <p>We contribute to environmental protection through ongoing efforts to promote waste reduction and recycling, and the operation of a solar power generation business at our radio transmitter station. We will also promote activities to raise awareness about the conservation of natural environment by hosting various events such as “Minna no Ki” (Trees for Everyone), an event that invites participants to get acquainted with nature and greenery.</p> <p>The Group is involved in social contribution activities based on the following details of the ABC Group CSR Policy to fulfill its social responsibility as a company.</p> <p>(1) Basic Policy</p> <p>Through the ABC Group’s ever-evolving variety of content, we strive to create a happier and more enriched tomorrow.</p> <p>(2) Slogan</p> <p>For tomorrow’s adults —What we can do for children today toward a better society tomorrow</p> <p>(3) Action guidelines</p> <p>●For tomorrow’s adults By fulfilling our responsibilities as a media outlet, we hand over a better society to the children.</p> <p>●For tomorrow’s lifestyles By respecting the global environment and human activity, we relay information on protecting lives and lifestyles.</p> <p>●For tomorrow’s culture By upholding the time-honored culture of the Kansai region, we help to further develop and enrich the local culture.</p> <p>The Company joined the SDG Media Compact, in which the United Nations calls for cooperation from the world’s news media.</p>
Other	<p>Since 2014, the Personnel Affairs Division of the Company has served as the driving force behind our ongoing efforts to promote diversity, including the advancement of women in the Group.</p> <p>The Group believes that fostering a corporate culture where everyone can reach their fullest potential will lead naturally to an environment where women can play an even more active part. With this in mind, we are</p>

	creating a working environment where each person is respected and acknowledged irrespective of sex, age, nationality, religious preference, life stage, disability or sexual orientation, striving for a company where the diverse capabilities of every member of the ABC family can shine through.
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#### IV. Matters Related to the Internal Control System

##### 1. Basic Views on Internal Control System and the Progress of System Development Updated

###### 1. Basic views on internal control systems

The Company recognizes that the development of internal control systems and their effective operations are important management issues to enhance corporate governance. Therefore, while the supervision of business execution by directors and executive officers by the Board of Directors is a given, as a company with Audit and Supervisory Committee, the Audit and Supervisory Committee has built and works to strengthen its management monitoring system for conducting audits of business execution by directors and executive officers. In addition, the Company is strengthening the internal audit division while also aiming to develop risk management systems to support risk taking by senior management.

###### 2. Progress of internal control system development

The Company has developed internal control systems based on the following policy.

(1) System for ensuring execution of duties by directors/executive officers and employees of the Company and its subsidiaries conforms to legal regulations and the articles of incorporation

###### 1. Compliance

- The Group has formulated the “Asahi Broadcasting Group Compliance Charter and Compliance Code of Conduct” to conduct compliance management based on legal and regulatory compliance and social consciousness.
- The Company has formulated the “Asahi Broadcasting Group Compliance Regulations” and established the Compliance Division under the executive officer responsible for compliance, enacting a necessary framework for enabling directors/executive officers and employees of the Company and its subsidiaries to act in line with legal and regulatory compliance and in a socially ethical manner.
- The Company has established an internal reporting desk within the Compliance Division and outside the company, offering consultations to and receiving reports from the directors/executive officers, employees and other related individuals of the Company and its subsidiaries regarding possible compliance violations.
- The Company has formulated rules regarding compliance reporting desks based on Japan’s Whistleblower Protection Act, defining the investigation of and responses to reported information. We safeguard the confidentiality and prohibit the mistreatment of any individual who comes forward to



report information.

- The Company's Compliance Division periodically reports to the representative director and Board of Directors on the operational status of systems pertaining to internal reporting.
- The Company and its subsidiaries have formulated "Regulations for Rejection of Antisocial Forces," prohibits the provision of any profit or accommodation to antisocial forces, and is steadfastly committed to resisting any pressure from such forces.

## 2. Internal audits

- The Company has established an Internal Audit Office under the direct authority of the Representative Director and President.
- The Company has formulated "Internal Audit Regulations" defining the basic parameters regarding audits, including audit criteria and standards; audits examine the operational status of business execution, compliance systems, risk management and internal control systems of the Company and its subsidiaries, and are conducted to confirm that overall operations are being conducted appropriately in light of laws, regulations and the articles of incorporation.
- The Company's Internal Audit Office confirms that its code of conduct, as an expression of the Company's corporate culture and climate, is respected in letter and spirit, and whether it is being implemented.
- The Company's Internal Audit Office prepares internal audit reports, which it reports to the Representative Director and President. The Representative Director and President makes improvements and takes other necessary measures based on the internal audit reports, and reports actions taken to the Board of Directors.
- The Company's Internal Audit Office, as appropriate, reports to and coordinates with the Audit and Supervisory Committee on plans, outcomes and other areas regarding internal audits.

## (2) System for preservation and management of information pertaining to execution of duties by directors

- The Company has formulated "Document Management Regulations," and conducts the appropriate preservation and management of documents pertaining to business execution by directors, including the minutes of the Board of Directors.

## (3) Regulations regarding management of risk of loss by the Company and its subsidiaries and other systems

- The Company's Compliance Division has formulated a risk management chart and "Risk Management Manual" for the Company and its subsidiaries, as part of appropriate risk management efforts. The Compliance Division has also formulated a "Crisis Management Flow Chart" to respond appropriately when risks emerge.
- To respond to risks related to television programming, broadcasting accidents and other risks, the

Group has established under Asahi Television Broadcasting Corporation's Board of Executive Directors a Broadcasting Problems Countermeasures Committee, Broadcasting Programs Examination Committee and Broadcasting Accidents Countermeasures Committee along with a Group Risk Management Countermeasures Committee at the Company to address risks facing the Group as a whole.

- The Group has formulated a "Business Continuity Plan" and "Disaster Readiness Manual," and strives to maintain broadcasting functions during times of disaster.
- The Company has established a Legal and Compliance Department under the Compliance Division, devising a system that enables confirmation of legal risks accompanying business execution, while receiving advice from attorneys.

(4) System to ensure efficient execution of duties by directors and others of the Company and its subsidiaries

- The executive directors/executive officers of the Company and its subsidiaries realize appropriate and efficient business execution in accordance with the scopes of authority determined by their respective Boards of Directors.
- The Company and its subsidiaries have formulated a medium-term management plan encompassing the entire Group; directors/executive officers of the Company and its subsidiaries execute their duties to achieve plan objectives.
- The Company, through the Board of Executive Officers (consisting of officers) and through various committees, shares information pertaining to the Company and its subsidiaries and collaborates, and conducts appropriate and fast decision-making.

(5) System regarding reporting to the Company of matters related to execution of duties by directors and others at its subsidiaries

- The Company has formulated "Asahi Broadcasting Group Companies Management and Administration Regulations" and defined rules concerning the sharing and reporting of information and business operations within the Group; in parallel, under "Group Companies Management and Administration Regulations" formulated by subsidiaries, subsidiaries are obligated to report operating results, financial position and other important information to the Company.
- The Company holds regular briefings with Group companies, and strives to share important information regarding management.

(6) Matters regarding employees assisting the duties of Audit and Supervisory Committee

- The Company has established an Audit and Supervisory Committee Office to assist the duties of Audit and Supervisory Committee, and has formulated the "Regulations for Employees Assisting the Duties of Audit and Supervisory Committee" to ensure the independence and efficacy of the office.
- The Audit and Supervisory Committee Office consists of several individuals, including a dedicated

office director, with ample consideration given to experience, knowledge and capabilities in the selection of employees.

- Employees attached to the Audit and Supervisory Committee Office follow the directives and orders of the Audit and Supervisory Committee.
- Transfers, performance reviews, and commendations or sanctions of dedicated employees attached to the Audit and Supervisory Committee Office occur with prior approval of the Audit and Supervisory Committee.
- The Company's executive managing directors/executive officers and employees are careful to avoid placing any undue constraints on the employees of the Audit and Supervisory Committee Office that might hinder their independence.

(7) System for reporting to the Audit and Supervisory Committee

- The general manager of the Company's Compliance Division reports immediately to the Company's Audit and Supervisory Committee upon receipt of reports of matters that could materially impact the operations or financial position of the Company and its subsidiaries, or reports of matters that could constitute compliance violations.
- When requested by the Audit and Supervisory Committee to provide reports on matters pertaining business execution, the directors/executive officers and employees of the Company and its subsidiaries respond promptly to fulfill this reporting request.
- The Company's Internal Audit Office and the Audit and Supervisory Board members of subsidiaries meet periodically, and as needed, with the Company's Audit and Supervisory Committee to report on the status of internal audits, compliance, risk management and other relevant areas of the Company and its subsidiaries.
- The Company has formulated "Regulations Regarding Reporting to the Audit and Supervisory Committee"; the Company strictly prohibits the taking of any negative actions against directors/executive officers or employees of the Company and its subsidiaries who report to the Audit and Supervisory Committee as a consequence of their decision to report, and disseminates awareness of this policy throughout the Group.

(8) Other systems for ensuring effective performance of audits by the Audit and Supervisory Committee

- The Company's Audit and Supervisory Committee members attend meetings of the Company's Board of Directors, meetings of the Company's Board of Executive Officers, and other important meetings, and are able to access minutes, circulars for approval and other documents related to business execution from important meetings.
- Each year, the Company develops a set budget to cover expenses that arise from the execution of duties by the Audit and Supervisory Committee.
- The Company bears the cost of covering temporary expenses that arise in the performance of audits

by the Company's Audit and Supervisory Committee, including for the hiring of attorneys, certified public accountants and other external advisors, except in cases deemed unnecessary for the execution of the duties of the Audit and Supervisory Committee.

## 2. Basic Views on Eliminating Anti-Social Forces and Status of Its Development

The Company prescribes in its Compliance Charter and Compliance Code of Conduct that "it is steadfastly committed to resisting any pressure from antisocial groups or individuals and will never be associated with any such groups or individuals" and has also established the Regulations for Rejection of Antisocial Forces to ensure that officers and employees are thoroughly aware that they must not provide any profit or accommodation to antisocial forces.

In addition, in the event of undue demands, such matters shall be dealt with by the Group Risk Management Countermeasures Committee that is established under the Board of Executive Officers. The Company has joined the Osaka Prefecture Corporate Defense Council (hereinafter "Corporate Defense Council"). The person in charge of the General Affairs Department participates in training sessions, etc. convened by the Corporate Defense Council, and exchanges information as necessary.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation	
-	

### 2. Other Matters Concerning the Corporate Governance System

The status of internal systems pertaining to the Company's timely disclosure of corporate information is as follows.

#### 1. Internal systems for collecting and managing corporate information

The Company's management and administration organizations include the Board of Executive Officers, comprised of the Board of Directors and executive officers. The Company has in place a system in which facts determined at the Board of Directors and facts deliberated at and reported to the Board of Executive Officers are, together with financial information, collected by the person in charge of handling information.

In addition, to manage important information and to prevent illegal insider trading, the Company has formulated internal regulations "Regulations on Insider Trading and Regulations Concerning

Management of Important Information,” and works to make them thoroughly understood within the Company under the jurisdiction of the person responsible for insider trading.

Important facts of actual events in the Company are collected by the General Affairs Division and the Compliance Division from the persons responsible at the relevant departments and reported to relevant officers such as the President and the person in charge of handling information, etc.

Important facts of decisions made, facts of actual events and financial information pertaining to subsidiaries are collected by the Company’s Management Strategy Division from the persons responsible at each company and reported to relevant officers such as the Company’s President and the person in charge of handling information, etc.

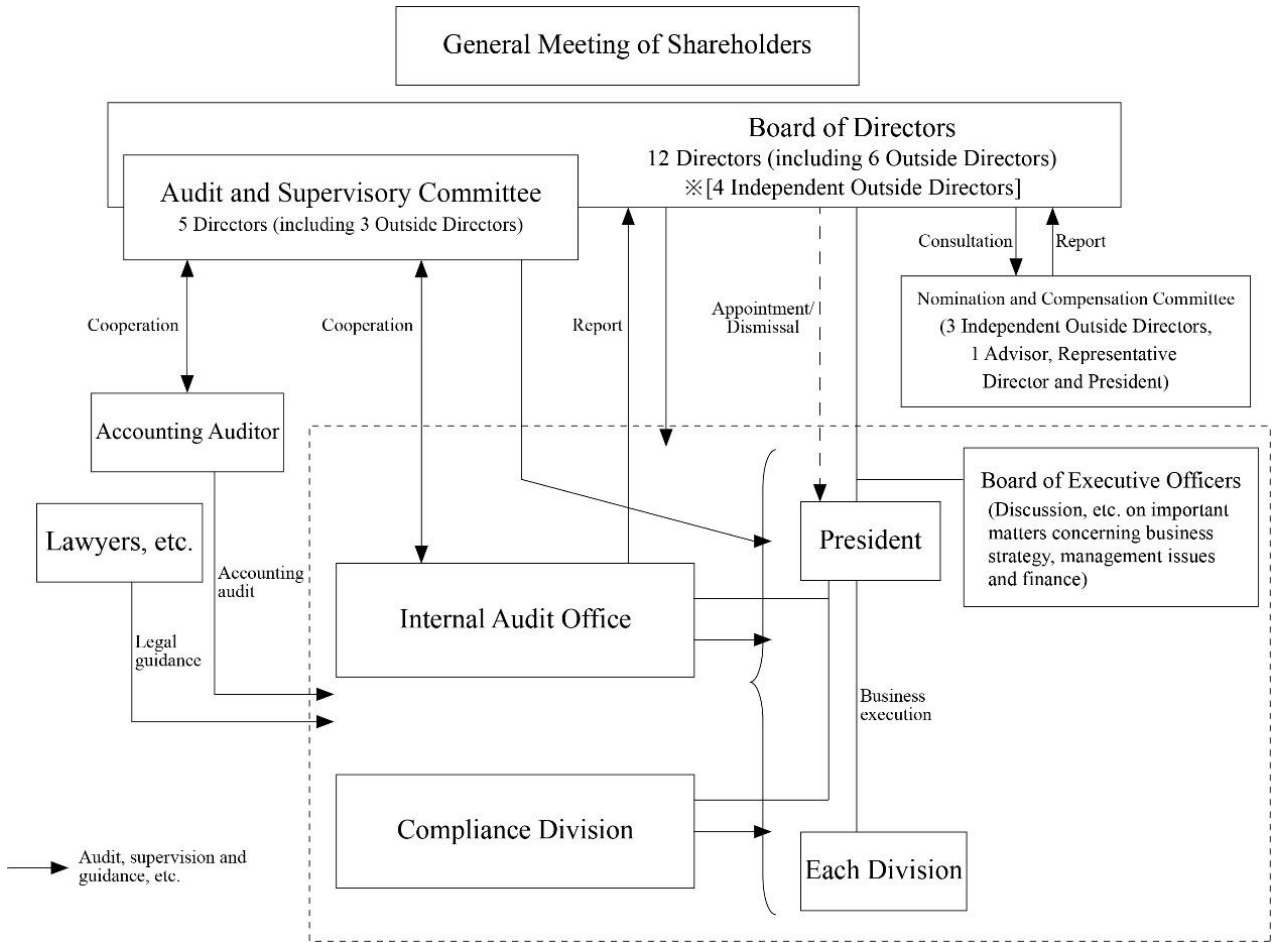
## 2. Internal systems concerning timely disclosure of corporate information

The information collected by the person in charge of handling information noted above is primarily deliberated by the General Affairs Division and the Financial Affairs Division, the departments responsible for disclosure, along with the Management Strategy Division and other relevant departments according to the details of disclosure, and judgments are made on whether such information should be subject to disclosure in accordance with the timely disclosure rules.

Prior confirmation is obtained from the Tokyo Stock Exchange depending on the details of disclosure.

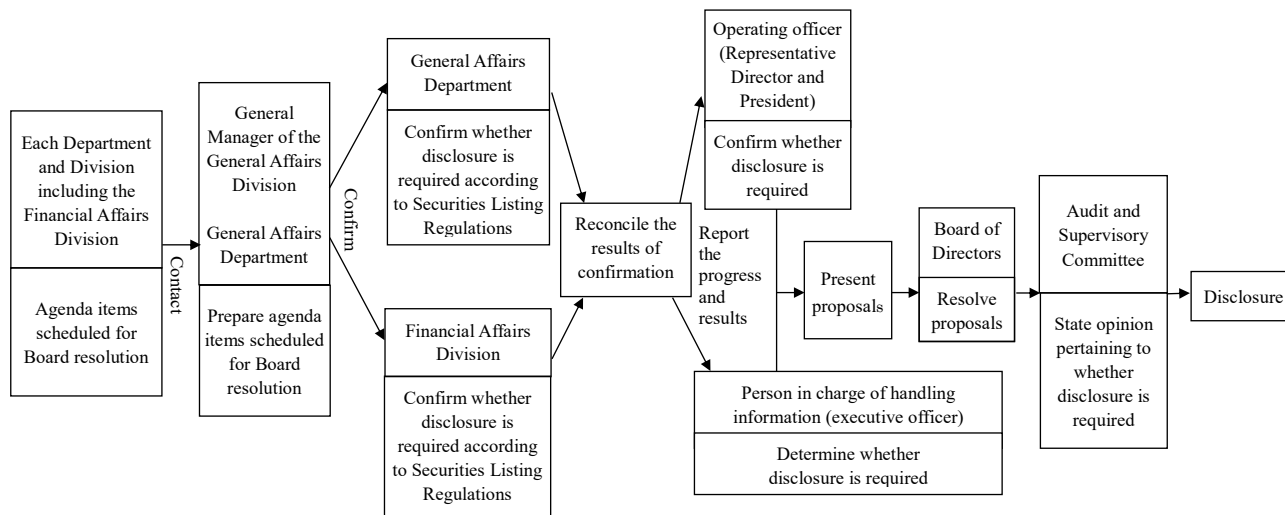
Information that is disclosed through EDINET and the TDnet disclosure system is posted on the Company’s website in consideration of investor convenience. In addition, inquiries from investors and requests for materials from the media are handled by the person in charge of IR and the Public Relations Department, etc.

**[Schematic Diagram of the Corporate Governance System]**

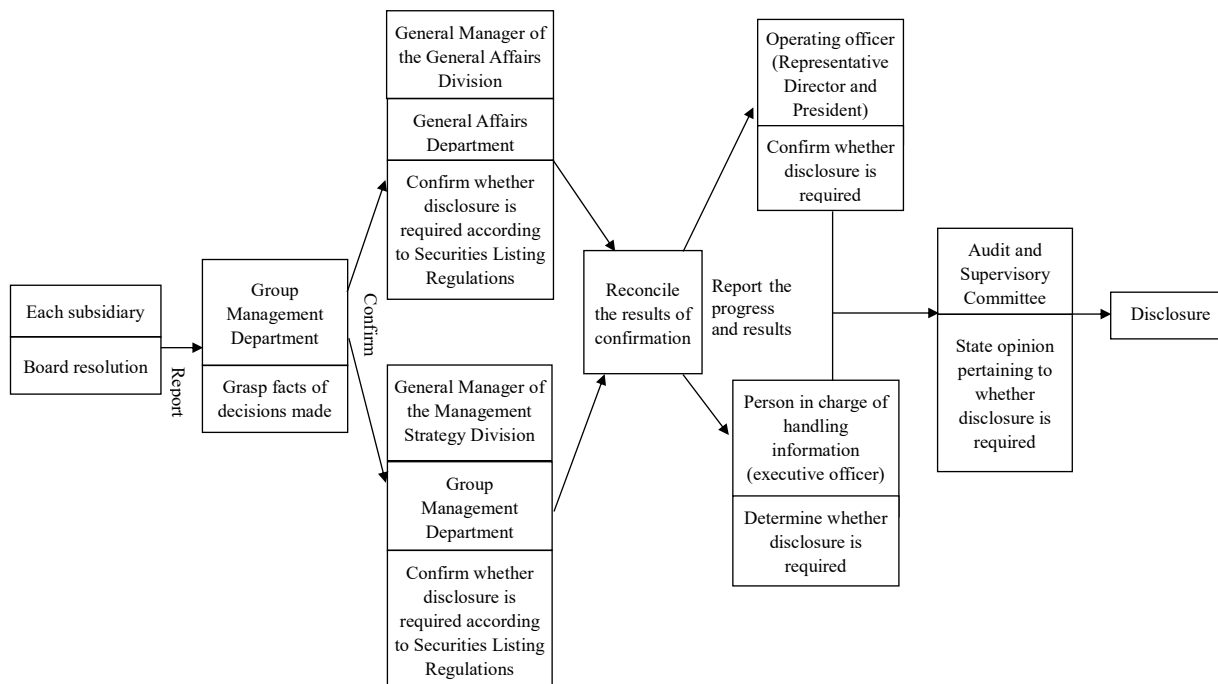


## [Overview of the Timely Disclosure System]

<Information concerning facts of decisions made and financial results pertaining to the Company>



<Information concerning facts of decisions made of subsidiaries>



<Information concerning facts of actual events pertaining to the Group>

