

Notice of Partial Revision of “Basic Policy for the Establishment of Internal Control Systems”

ACSL Ltd. (ACSL) hereby announces that our Board of Directors, at a meeting held today, resolved to partially revise the "Basic Policy for Establishment of Internal Control Systems" as follows. Revised parts are underlined.

1. System to ensure compliance by Board Directors and employees to laws and regulations and the Articles of Incorporation
 - ① Establish Compliance Regulations as a basis for ensuring compliance. In addition, officers shall set an example for compliance activities by following the Compliance Regulations.
 - ② The Corporate Management Unit, which is in charge of compliance, shall plan, draft and promote specific measures such as education and training for Directors and employees to raise awareness of compliance.
 - ③ Establish Whistleblowing Regulations, and plan for the early detection and correction of any misconducts by establishing points of contact for whistleblowing and consulting. Additionally, the whistleblower shall be prohibited from being treated disadvantageously, and this shall be stipulated in the Whistleblowing Regulations.
 - ④ Appoint an external specialist as necessary and prevent any violations of laws and regulations, or the Articles of Incorporation before they occur.

2. System to preserve and manage information related to the execution of duties of Board Directors
 - ① Board Directors must appropriately store and preserve the following documents (including electromagnetic records) and related materials pertaining to the execution of their professional duties in accordance with laws and regulations and internal regulations, ensuring that such documents are available for inspection when necessary.
 - Minutes of General Meetings of Shareholders
 - Minutes of Board of Directors
 - Minutes of important meetings and committee meetings
 - ② In addition to documents stipulated in the above (a), contracts, approvals and other documents shall be stored and managed appropriately in accordance with Document Control Regulations, Confidential Information Control Regulations, Information Security

Control Regulations and Personal Information Protection Regulations, etc.

- ③ Regarding personal information and other information required to be managed under laws and regulations, the Company shall ensure that all officers and employees are thoroughly aware of the management methods required by the relevant laws and regulations.

3. Regulations and other systems related to the management of risk of loss

- ① The Corporate Management Unit shall accurately grasp the risks accompanying all business operations at the Company, and promote measures to prevent those risks being actualized.
- ② Each unit shall manage risks that may arise in relation to its business in accordance with the Risk Management Regulations. In terms of risks that require company-wide management, the Corporate Management Unit shall evaluate the risk, decide on a response policy, and create an appropriate system based on this.
- ③ In the event of a significant risk, serious accident or disaster, a Risk Management Committee shall be established to conduct company-wide and systematic response to minimize the risk.

4. System to ensure the reliability of financial reporting

The development of an internal control systems to ensure the reliability of financial reporting shall be positioned as one of the most important management issues, and the Company shall evaluate the development and operation of the internal control systems to promote assurance of the reliability of financial reporting.

5. Basic views on eliminating transactions with anti-social elements and related efforts

- ① Basic policy on blocking relations with anti-social elements

The Company shall block all relations with anti-social elements, such as crime syndicates, members of crime syndicates, associate members of crime syndicates, corporations affiliated with crime syndicates, corporate extortionists, groups engaging in criminal activities under the pretext of conducting social campaigns or political activities, and special intelligence crime groups.

- ② System development to eliminate transactions with anti-social elements

- Designate the Corporate Management Unit as the anti-social element response unit, and establish a system for the collecting and managing information related to anti-social elements.
- Establish close cooperation with the police and other related bodies.
- Establish anti-social element response regulations for responding to anti-social elements and ensure thorough understanding.

- Introduce a clause for the elimination of crime syndicates in all types of contracts, such as the Basic Trade Contract.
6. System to ensure efficient execution of duties by Board Directors
 - ① In general, regular meetings of the Board of Directors are convened once a month to make decisions on important matters such as basic management policy and oversee the execution of duties by Board Directors.
 - ② The responsibilities and authority for the execution of business shall be specified in the Regulations for Division of Duties and the Authority Regulations.
 7. System related to employees who are assigned to assist duties of Audit & Supervisory Committee
 - ① In cases when an employee is needed to assist duties of the Audit & Supervisory Committee, auditing staff shall be assigned to assist duties of Audit & Supervisory Committee.
 - ② In the case of assigning auditing staff, in order to ensure independence and effectiveness of instruction, the auditing staff shall appoint employees who are not subject to orders and instructions of Board Directors, and transfers and evaluation of such employees shall be carried out with the prior consent of the Audit & Supervisory Committee.
 8. Framework for reporting from Board Directors or employees to Audit & Supervisory Committee and for other reporting to Audit & Supervisory Committee
 - ① Board Directors who discover any matters which may potentially cause significant damage to the Company must immediately report such matters to Directors as Audit & Supervisory Committee members, based on laws and regulations.
 - ② In addition to the Board of Directors' meetings, full-time Audit & Supervisory Committee members shall attend major meetings including Management Meetings as necessary and read important approval documents in order to understand important decision-making processes and the execution status of assignments.
 - ③ Based on the Whistleblowing Regulations, Audit & Supervisory Committee shall receive reports on the status of whistleblowing, as well as reports on the operation status from the department in charge of whistleblowing on regular Board of Directors meetings.
 - ④ Audit & Supervisory Committee may receive periodic reports from Board Directors or employees about the development and operation status of the internal control systems, as well as request reports from Board Directors or employees on matters deemed necessary.
 - ⑤ Persons who make reports to Audit & Supervisory Committee shall not be subject to disadvantageous treatment for the reason of making the report.

9. Other systems for ensuring that Audit & Supervisory Committee can conduct audits effectively
- ① Audit & Supervisory Committee shall maintain close cooperation with internal audit department and conduct efficient and effective audits in the course of investigating the status of the Company's operations and assets, and performing other auditing duties.
 - ② Audit & Supervisory Committee shall conduct efficient audits and maintain close cooperation with Financial Auditor, such as meeting with the Accounting Auditor on a regular basis, attending the audit visits by the Financial Auditor, and requesting the Financial Auditor to report as appropriate on the progress of audits.
 - ③ The Company shall bear the costs necessary for the execution of the duties of Audit & Supervisory Committee.

Attention

This document is an unofficial translation of the timely disclosure on March 24, 2023 by ACSL and this is for reference purpose only. In case of a discrepancy between the English and Japanese versions, the Japanese original shall prevail.