

Corporate Governance Reporting Guidelines

Basic information

Item	Guidance
Last update	Please indicate the date when the report is submitted to the Exchange (the date of registration on TDnet). If you are updating or resubmitting the report due to changes in the content of the report, please also revise the date of the last update accordingly. For new listing applicants, please enter the date of listing approval. If renewing or resubmitting the application after the listing approval date, please enter the date of renewal or resubmission.
Contact	Please enter the name of the department in charge and the telephone number of the department in charge (this can be an operator).
URL	Please provide the URL of the listed company's website (limited to websites that provide information on investment decisions).

(Note) In the following table, the item number attached to each item corresponds to the item number of the report input form.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

Item	Guidance
1. Basic views	<p>Please describe in a specific and simple manner the company's basic policy on corporate governance initiatives (including the background of the policy) and the purpose of corporate governance for the listed company.</p> <p>The following information may be included in the report: the positions of the company's shareholders and other stakeholders (i.e., shareholders, employees, consumers, and all others that have an interest in the company); the company's approach to management oversight; and the approach of the corporate group as a whole.</p> <p>This section may also be used to make disclosure on Principle 3.1 ii) of the Corporate Governance Code (the "Code").</p> <div style="border: 1px solid black; padding: 5px;"> <p>Principle 3.1</p> <p><i>In addition to making information disclosure in compliance with relevant laws and regulations, companies should disclose and proactively provide the information listed below (along with the disclosures specified by the principle of the Code) in order to enhance transparency and fairness in corporate decision-making and ensure effective corporate governance:</i></p> <p><i>ii) Basic views and guidelines on corporate governance based on each of the principles of the Code;</i></p> </div> <p>Please update this section each time the content is changed.</p>
(1) Reasons for non-compliance with the principles of the Corporate Governance Code	<p>If there are principles of the Code with which the company does not comply, please explain the reason(s) for this non-compliance.</p> <p>Principles requiring explanation of reasons for non-compliance:</p> <ul style="list-style-type: none"> - For listed companies on the Prime Market: General Principles, Principles, and Supplementary Principles

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	<ul style="list-style-type: none"> - For listed companies on the Standard Market: General Principles, Principles, and Supplementary Principles (excluding Principles and Supplementary Principles aimed only at the Prime Market) - For listed companies on the Growth Market: General Principles <p>Please specify the item number of each principle of the Code with which you do not comply, and clearly state to which principle each explanation applies.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>(Example)</p> <p>Supplementary Principle 1.2.4: Establishment of an environment for the electronic exercise of voting rights</p> <p style="padding-left: 20px;">• • • • • State the reasons for non-compliance • • • • •</p> <p>Supplementary Principle 3.1.2: Promote disclosure and provision of information in English, taking into account the ratio of foreign investors, etc.</p> <p style="padding-left: 20px;">• • • • • State the reasons for non-compliance • • • • •</p> <p>Supplementary Principle 4.10.1: Appropriate involvement and advice by independent directors through the establishment of independent nomination and remuneration committees.</p> <p style="padding-left: 20px;">• • • • • State the reasons for non-compliance • • • • •</p> <p>Principle 4.11: Preconditions for Board and <i>Kansayaku</i> Board effectiveness</p> <p style="padding-left: 20px;">• • • • • State the reasons for non-compliance • • • • •</p> </div> <p>Even if the reason for not complying with a principle of the Code is explained in other disclosed documents, please explain it in this section.</p> <p>If the company complies with all of the principles for which an explanation is required, please be sure to state that all of the principles are complied with, rather than leave this section blank. In the case of a company listed on the Growth Market, if the company complies with all of the General Principles, please be sure to state this fact.</p> <p>Non-compliance with the principles of the Code includes cases that can be judged not to be compliant as of the date of report submission, even if a decision has been made to comply in the future. When stating the reasons for non-compliance in these cases, from the perspective of enhancing constructive dialogue with investors, the following points</p> <ul style="list-style-type: none"> - Clearly indicate what parts of the relevant Principle are not being implemented. <ul style="list-style-type: none"> * In particular, if there are some parts which are implemented and some which are not within one Principle, indicate these clearly. - For parts which are not implemented, explain the company's reasons for not complying at this time (reasons why it is appropriate not to comply for the company) <ul style="list-style-type: none"> * Explanation may be based on individual circumstances such as industry, size, business characteristics, organizational structure, environment surrounding the company. In addition, if alternative measures have been adopted, details of these and the reasons why they are appropriate for the company. - If the company plans to comply with the relevant Principle in the future, give specific details of the discussions and work toward compliance <p>* Structure, methods and processes of discussions/work, and factors to be considered, progress of discussions/work and specific schedule for compliance may be described, and details of transitional measures being implemented prior to compliance, if any may also be described. Companies listed on the Growth Market may voluntarily state the reasons why they do not comply with each principle other than the General Principles.</p> <p>In the event of any change in the contents of this section, batch updates may be made after the date of the first annual general meeting immediately following the change(s).</p>

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<p>(2) Disclosure based on each principle of the Code</p>	<p>If a company listed on the Prime or Standard Market is making disclosure in accordance with any of the principles stipulating that specific matters should be disclosed, please write the relevant information in this section.</p> <p>Principles stipulating that specific matters should be disclosed (see Attachment 1): Principle 1.4, Principle 1.7, Supplementary Principle 2.4.1, Principle 2.6, Principle 3.1, Supplementary Principle 3.1.3, Supplementary Principle 4.1.1, Principle 4.9, Supplementary Principle 4.10.1, Supplementary Principle 4.11.1, Supplementary Principle 4.11.2, Supplementary Principle 4.11.3, Supplementary Principle 4.14.2, and Principle 5.1</p> <p>(Note) The second paragraph of Supplementary Principle 4.10.1 and the second paragraph of Supplementary Principle 3.1.3 are aimed at the Prime Market.</p> <p>If disclosure is to be made, please specify the item number of each principle under which the disclosure is to be made, and clearly indicate which principle each disclosure is based on.</p> <div style="border: 1px solid black; padding: 10px;"> <p>(Example)</p> <p>Principle 1.4: Cross-shareholdings</p> <p>(1) Policy on cross-shareholdings State the relevant information here</p> <p>(2) Details of assessment regarding cross-shareholdings State the relevant information here</p> <p>(3) Criteria for exercising voting rights connected to cross-shareholdings State the relevant information here</p> <p>Supplementary Principle 2.4.1 Ensuring diversity in the promotion of core human resources, etc.</p> <p>Policy for ensuring diversity</p> <p>(1) Promotion of women to middle managerial positions State the relevant information here</p> <p>(2) Promotion of foreign nationals to middle managerial positions State the relevant information here</p> <p>(3) Promotion of mid-career hires to middle managerial positions State the relevant information here</p> <p>(4) Other matters (including general policy about ensuring diversity) State the relevant information here</p> <p>Voluntary and measurable goals for ensuring diversity</p> <p>(1) Promotion of women to middle managerial positions State the relevant information here</p> <p>(2) Promotion of foreign nationals to middle managerial positions State the relevant information here</p> <p>(3) Promotion of mid-career hires to middle managerial positions State the relevant information here</p> <p>(4) Other matters State the relevant information here</p> <p>Status of diversity</p> <p>(1) Promotion of women to middle managerial positions</p> </div>

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	<p>• • • • • State the relevant information here • • • • •</p> <p>(2) Promotion of foreign nationals to middle managerial positions • • • • • State the relevant information here • • • • •</p> <p>(3) Promotion of mid-career hires to middle managerial positions • • • • • State the relevant information here • • • • •</p> <p>(4) Other matters • • • • • State the relevant information here • • • • •</p> <p>Human resource development policy and internal environment development policy to ensure diversity and their implementation status • • • • • State the relevant information here • • • • •</p> <p>Principle 2.6: Roles of corporate pension funds as asset owners • • • • • State the relevant information here • • • • •</p> <p>Supplemental Principle 3.1.3: Initiatives on sustainability, etc. Initiatives on sustainability • • • • • State the relevant information here • • • • •</p> <p>Investments in human capital, intellectual property, etc. • • • • • State the relevant information here • • • • •</p> <p>(Note 1) When making disclosure on Supplemental Principle 2.4.1, if the company does not have “voluntary and measurable goals” in relation to promotion of any of women, foreign nationals, or mid-career hires to managerial positions, please state this fact and the reasons for it in the “Policy for ensuring diversity” section.</p> <p>(Note 2) When making disclosure on the company’s “initiatives on sustainability” stipulated in the first paragraph of Supplemental Principle 3.1.3 (including cases where disclosure in this section is made through reference to other disclosed documents and provision of a method of access to them), if there are any frameworks that the company referenced for the disclosure, companies are encouraged to name said framework. In addition, regarding the implementation status of the second paragraph of Supplemental Principle 3.1.3, companies are encouraged to describe whether or not disclosure is made for each item recommended for disclosure by the TCFD recommendations, and if scenario analysis is conducted, to state to that effect.</p> <p>Other than directly stating the relevant information, if the same information is disclosed in an Annual Securities Report, an annual report, or company website that is widely available to the public, it is also acceptable to disclose in this section by pointing to said report or website as a reference and providing the method of access to said information (e.g. the website URL).</p> <p>Companies may enter this information in other sections. In such cases, please reference the relevant sections here: for example, “III. Implementation of Measures for Shareholders and Other Stakeholders – 3. Status of measures to ensure due respect for stakeholders” may be used for disclosure on Supplementary Principle 3.1.3, or “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-Making, Execution of Business, and Oversight – 1. Organizational Composition and Operation (2) Directors (vi) Voluntary establishment of committee(s) equivalent to Nomination/Renumeration Committee” section may be used for disclosure on Supplementary Principle 4.10.1 (aimed at the Prime Market).</p> <p>This section may also be used when describing the implementation status of principles other than</p>

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	<p>those stipulating that specific matters should be disclosed. For example, companies may describe the implementation status of principles for which an explanation is required, or may describe their own specific efforts to implement each principle from the perspective of enhancing constructive dialogue with investors.</p> <p>* If a company makes disclosure based on the <i>"Action to Implement Management that is Conscious of Cost of Capital and Stock Price"</i> and <i>"Better Dialogue with Shareholders and Related Disclosure"</i> (published on March 31, 2023) in its management strategies, management plans, financial results presentation materials or its website, please state in this section to the effect that such disclosure is made and the method of access to said disclosure (e.g. the website URL). It is also acceptable to directly make such disclosure in this section.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>(Example)</p> <p>Action to Implement Management that is Conscious of Cost of Capital and Stock Price</p> <p>• • State that such disclosure is made and how to access the disclosed information • • •</p> <p>Dialogue with Shareholders</p> <p>• • • State that such disclosure is made and how to access the disclosed information • • •</p> </div> <p>For companies listed on the Growth Market, please do not use this section unless voluntarily making disclosure in accordance with principles stipulating that specified matters should be disclosed.</p> <p>In the event of any change in the contents of this section, batch updates may be made after the date of the first annual general meeting immediately following the change.</p>
<p>2. Capital structure</p>	<p>In the event of any change in the contents in this section, batch updates may be made after the date of the first annual general meeting immediately following the change.</p> <p>In the event of a change in the content as a result of setting a record date other than the record date for the "Major Shareholders" section in the Annual Securities Report, update in this section is optional. (Batch updates may be made after the date of the first annual general meeting immediately following the change.)</p> <p>Initial listing applicants are required to enter the most recent situation as stated in the "Annual Securities Report for Application for Listing (Part I)."</p> <p>If there are any notes, please indicate them in the "(5) Supplementary explanation" section.</p>
<p>(1) Foreign shareholding ratio</p>	<p>This means the percentage of shares held by corporations or organizations similar to corporations incorporated under the laws and regulations of foreign countries, and by individuals with foreign nationality, out of the total number of outstanding shares (same as the definition for the Annual Securities Report).</p> <p>Please enter this information with reference to "Status by Shareholder Classification" in the "Information on the Company's Shares, etc." section in the Annual Securities Report Form (Form No. 3, etc. of the Cabinet Office Order on Disclosure of Corporate Affairs).</p>
<p>(2) Status of major shareholders</p>	<p>Please enter this information in accordance with "Major Shareholders" in the "Information on the Company's Shares, etc." section in the Annual Securities Report Form (Form No. 3, etc. of the Cabinet Office Order on Disclosure of Corporate Affairs). In the case where a large shareholding report has been submitted for the shares of a listed company and there is a discrepancy with the most recent shareholder registry, please fill in this item based on the shareholder registry and then state that a large shareholding report has been submitted in the "(5) Supplementary explanation" section.</p> <p>The number of shares held should be based on the number of listed shares.</p> <p>Please list about 10 shareholders in descending order of number of shares held.</p> <p>Please enter numbers in half-width characters.</p> <p>Initial listing applicants should base this information on "Status of Shareholders" in the "Annual Securities Report for Application for Listing (Part I)" prepared in accordance with Form No. 2-4 of the Cabinet Office Order on Disclosure of Corporate Affairs, excluding subscription warrants.</p>

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(3) Name of controlling shareholder, if applicable (excluding parent companies)	<p>If the company has a controlling shareholder which is not a parent company, please enter the name of the controlling shareholder.</p> <p>Definition of a controlling shareholder:</p> <p>An entity/person which falls under either of the following (1) or (2) is defined as a controlling shareholder (Article 2, Item 42-2 of the Securities Listing Regulations and Article 3-2 of the Enforcement Rules for Securities Listing Regulations).</p> <p>(i) A parent company (meaning a parent company as defined in Article 8, Paragraph 3 of the Regulation on Terminology, Forms and Preparation Methods of Financial Statements (hereinafter referred to as the "Financial Statement Regulation"). The same shall apply hereinafter).</p> <p>(ii) A major shareholder (meaning a major shareholder as defined in Article 163, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter), excluding those defined in (i), which holds, on its own account and together with the following (iii) and (iv), a majority of the voting rights of the listed company.</p> <p>(iii) A close relative (meaning a relative within the second degree of kinship; the same shall apply hereinafter) of said major shareholder.</p> <p>(iv) An entity (meaning a company, designated corporation, partnership, or other similar entity (including an equivalent thereof in a foreign country)) in which said major shareholder and (iii) jointly own a majority of the voting rights on their own accounts. The same shall apply hereinafter) and subsidiaries of said entity.</p> <p>(Note) In principle, the point in time for determining whether or not there is a controlling shareholder is based on the most recent situation (if the most recent list of shareholders is as of the end of the immediately preceding fiscal year, that point in time is acceptable).</p>

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	<p>(Reference) Please refer to the following chart to determine whether there is a controlling shareholder or not.</p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="border: 1px solid black; padding: 5px; width: 60%;"> <p>Do you have a parent company?</p> </div> <div style="width: 35%;"> <p>YES → The parent company is the controlling shareholder</p> </div> </div> <p>↓ NO ⇒ Enter information in “(4) Name of Parent company, if applicable”*</p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="border: 1px solid black; padding: 5px; width: 60%;"> <p>Are there any major shareholders other than a parent company?</p> </div> <div style="width: 35%;"> <p>NO → No controlling shareholder</p> </div> </div> <p>↓ YES</p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="border: 1px solid black; padding: 5px; width: 60%;"> <p>Does said major shareholder hold a majority of the voting rights on its own account?</p> </div> <div style="width: 35%;"> <p>YES → Controlling shareholder (other than parent company)</p> </div> </div> <p>↓ NO</p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="border: 1px solid black; padding: 5px; width: 60%;"> <p>Do the voting rights of said major shareholder on its own account and together with those held by the following (i) and (ii) constitute a majority of the voting rights of the listed company?</p> <p>(i) Relatives within the second degree of kinship of said major shareholder</p> <p>(ii) Entities in which the relevant shareholder and (i) jointly own a majority of voting rights on their own account and subsidiaries of said entities</p> </div> <div style="width: 35%;"> <p>NO → No controlling shareholder</p> </div> </div> <p>↓ YES</p> <div style="border: 1px solid black; padding: 5px; width: 60%;"> <p>Controlling shareholder (other than parent company)</p> </div> <p>*Please note that if the parent company has a controlling shareholder, this means that the company has a “controlling shareholder (excluding parent company).”</p>
<p>(4) Name of parent company, if applicable</p>	<p>If the company has a parent company, please provide the name of the parent company (in the case where there is more than one parent company, the one that is deemed to have the greatest impact on the listed company (if the impact is the same, either one)).</p> <p>Please note that a “parent company” does not include “other associated companies” as defined in Article 8, Paragraph 17, Item 4 of the Financial Statement Regulation.</p> <p>If the company has a parent company, please note that the necessary information must be provided in “4. Policy on measures to protect minority shareholders in conducting transactions with controlling shareholder” and “5. Other special circumstances which may have a material impact on corporate governance.”</p>

Item	Guidance
(5) Supplementary explanation	If you would like to provide supplementary information on 2. Capital structure, please enter it here.
3. Corporate attributes	<p>The figures here should be based on the status as of the end of the immediately preceding fiscal year. Please refer to the “Net sales (consolidated) of the preceding fiscal year” section below for how to enter net sales.</p> <p>In the event of any change in the contents of this section, batch updates may be made on or after the date of the first annual general meeting immediately following the change.</p> <p>Initial listing applicants are required to enter their most recent status as stated in the “Annual Securities Report for Listing Application (Part I).”</p>
(1) Listed stock exchange and market division	The market divisions of listed exchanges are Prime, Standard, and Growth for Tokyo; Premier, Main, and Next for Nagoya; Existing Market and Q-Board for Fukuoka; and Existing Market and Ambitious for Sapporo.
(2) Fiscal year-end	Please select a month from January to December.
(3) Business sector	Please select one of the 33 sectors in the medium classification as determined by the Securities Identification Code Committee.
(4) Number of employees (consolidated) as of the end of the previous fiscal year	<p>For companies that prepare consolidated financial statements, please provide figures on a consolidated basis.</p> <p>Please provide these figures with reference to “Employees” in the Annual Securities Report Form (Form No. 3, etc. of the Cabinet Office Order on Disclosure of Corporate Affairs).</p>
(5) Net sales (consolidated) for the previous fiscal year	<p>Based on the annual net sales amount for the most recent fiscal year.</p> <p>For companies that prepare consolidated financial statements, please provide figures on a consolidated basis.</p> <p>For companies that do not use net sales in the summary of business results, please substitute this with a similar item (this could change depending on the sector, e.g., ordinary income for the banking sector, operating revenue for securities industry, or net premiums for the insurance industry).</p>
(6) Number of consolidated subsidiaries as of the end of the previous fiscal year	For companies that prepare consolidated financial statements, please provide on a consolidated basis. If there are no consolidated subsidiaries, enter “less than 10.”
4. Policy on measures to protect minority shareholders in conducting transactions with controlling shareholder	<p>For a company with a controlling shareholder, please provide details of guidelines concerning how to protect minority shareholders when executing transactions or the like with the following persons:</p> <ul style="list-style-type: none"> (i) The parent company (ii) The controlling shareholder (other than a parent company) (iii) Close relatives of (ii) (iv) Entities in which (ii) and (iii) jointly own a majority of the voting rights on their own account and subsidiaries of said entities <p>Please update this section each time the content of the policy is changed.</p> <p>(Note 1) With regard to policy on measures to protect minority shareholders, please describe in detail the company's policies for establishing internal systems, internal decision-making procedures, use of external organizations, and conclusion of contracts (e.g. those stipulating that the terms and conditions of the transaction are the same as those for arm's length transactions), and other policies that are established with the aim of preventing a controlling shareholder from harming the company and, by extension, minority shareholders by using its influence and conducting transactions that benefit the controlling shareholder or (iii) and (iv) above. In cases where the company appoints at least one-third (a majority for the Prime Market) independent directors who are independent from controlling shareholders, or establishes a special committee composed of independent persons including independent directors in accordance with Supplementary Principle 4.8.3 of the Code, companies are encouraged to state to that effect.</p>

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	<p>(Note 2) With respect to the levels of transactions with controlling shareholders that are subject to the policy, as a rule companies are encouraged to establish their policies with all such transactions in mind; however, since the degree of influence can be expected to vary depending on the size and structure of each company, the policy may reflect the level of specific transactions with controlling shareholders that are deemed appropriate for each company, with the aim of limiting the policy to transactions with a size that could have a certain degree of influence on minority shareholders. In such cases, please also state the reason why the company judged the level to be appropriate.</p> <p>(Note 3) Please note that the implementation status of the measures set forth in the policies described above must be disclosed within three months after the end of the fiscal year as part of the disclosure of matters concerning controlling shareholders, etc. (Article 411 of the Securities Listing Regulations and Article 412 of the Enforcement Rules for Securities Listing Regulations).</p>
<p>5. Other special circumstances which may have a material impact on corporate governance</p>	<p>If the company has a listed subsidiary (meaning a subsidiary as stipulated in Article 8, Paragraph 3 of the Financial Statement Regulation which is also a company listed on a domestic financial instruments exchange), please describe the company's approach and policy regarding group management, and in light of this, the significance of having a listed subsidiary and measures to ensure the effectiveness of the governance system of the listed subsidiary. In addition, if the company has concluded any contract (including agreements not called contracts) with the listed subsidiary that is related to the given approach and policy regarding group management, companies are encouraged to also describe the content of said contract/agreement.</p> <p>(Note 1) In the case where the company has multiple listed subsidiaries, please state the significance of having the listed subsidiary for each one.</p> <p>(Note 2) "Significance of having a listed subsidiary" should be described from the perspective of maximizing corporate value as a group.</p> <p>(Note 3) With respect to "measures to ensure the effectiveness of the governance system of the listed subsidiary," companies should describe the parent company's policy for involvement in the establishment and operation of the governance system of the listed subsidiary and measures to ensure independence of the listed subsidiary, which is necessary from the perspective of protecting minority shareholders.</p> <p>If the company has a parent company (including unlisted companies), it should describe its approach and measures for securing independence from the parent company, which is necessary from the perspective of protecting minority shareholders. In addition, companies are encouraged to additionally describe the parent company's approach/policy regarding group management and the details of related contracts, if any.</p> <p>Please provide any other facts that are considered to have a significant impact on corporate governance in light of the individual circumstances of each company.</p> <p>Please update this section each time the content is changed.</p>

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

Item	Guidance
	Please enter numbers (items related to the number of people) in half-width characters. Please update this section each time the content is changed.
1. Organizational composition and operation	
(1) Corporate governance system	<p>For providing information on the current organizational structure, there are three types of input forms: for “Companies with a Board of Company Auditors*,” for “Companies with an Audit and Supervisory Committee**,” and for “Companies with Three Committees.”</p> <p>Please enter the applicable system in this field and fill out the following according to the relevant form.</p> <p>*Referred to in Code reference translation as "Company with <i>Kansayaku</i> Board" **Referred to in Code reference translation as "Company with Supervisory Committee"</p>
(2) Directors	
(i) Number of directors stipulated in articles of incorporation	Please enter the number of directors (upper limit) as stipulated in the articles of incorporation. If the articles of incorporation do not specify an upper limit, e.g. only a lower limit is specified, enter “No upper limit.”
(ii) Directors’ term of office stipulated in articles of incorporation	Please enter the term of office of directors as stipulated in the articles of incorporation. In the case of a Company with an Audit and Supervisory Committee, enter the term of office of directors who are not members of the Committee.
(iii) Chairperson of the board	<p>The term President includes Chief Executive Officers (CEOs).</p> <p>The term Representative Director means a representative director as defined in Article 363, Paragraph 1, Item 1 of the Companies Act. The same shall apply hereinafter.</p> <p>The term Outside Director means an outside director as defined in Article 2, Item 15 of the Companies Act. The same shall apply hereinafter.</p>
(iv) Number of directors	Please enter the actual number of directors as of the date of the last update of the report. Please note that candidates for directors are not to be included.
In the case of a Company with a Board of Company Auditors or a Company with an Audit and Supervisory Committee which has appointed Outside Directors, or a Company with Three Committees	The following item “(v) Election of Outside Directors” is limited to: a Company with a Board of Company Auditors or Company with an Audit and Supervisory Committee which has appointed Outside Directors, or a Company with Three Committees (in the case of a Company with Three Committees, the name of this item is “(v) Outside Directors”).
(v) Election of Outside Directors	
A. Number of Outside Directors	Please enter the actual number of Outside Directors as of the date of the last update of the report. Please note that candidates for Outside Directors are not to be included. The number of Outside Directors entered in “C. Outside Directors’ relationship with the company (1)” should be entered in this item. If no Outside Directors are appointed, please explain this and your future plans for securing them in the “3. Reasons for adoption of current corporate governance system” section.

Item	Guidance
B. Number of independent directors	<p>This item should be filled with the number of Outside Directors who are designated as independent directors (meaning independent directors as stipulated in Article 436-2 of the Securities Listing Regulations) as of the date of the last update of the report.</p> <p>The number of Outside Directors for which the checkbox next to "Designation as independent director" is checked in "D. Outside Directors' relationship with the company (2)" should be entered here. If there are no independent directors, please explain to that effect and include your future plans for securing independent directors/auditors in the "Other matters concerning independent directors and independent company auditors" item under the "(4) Matters concerning independent directors and independent company auditors" section.</p>
C. Outside Directors' relationship with the company (1)	
- Attributes	<p>Please select an attribute from "From another company, Lawyer, CPA, Tax Accountant, Academic, or Other."</p> <p>The term "From another company" means a person who has worked for another company at least once, either now or in the past. For example, a person who has worked for a company for one year 30 years ago is still categorized as "From another company."</p> <p>The term "academic" means a professor, associate professor, or other person equivalent to a professor or associate professor at a university or graduate school.</p> <p>If more than one attribute applies, please select the primary attribute at the present time.</p>
- Relationship with the company	<p>For each item, please select the present (or most recent) or past applicable status.</p> <p>Relationship with the company:</p> <div style="border: 1px solid black; padding: 5px;"> <ul style="list-style-type: none"> a Person who conducts business for the company or its subsidiary b Person who conducts business for or a non-executive director of the company's parent company c Person who conducts business for a fellow subsidiary d Person/entity for which the company is a major client or a person who conducts business for said person/entity e Major client of the company or a person who conducts business for said client f Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the company in addition to remuneration as a director/company auditor g Major shareholder of the company (in cases where the shareholder is a corporation, a person who conducts business for the corporation) h Person who conducts business for a client of the company (excluding persons categorized as any of d, e, or f above) (applies to the director him/herself only) i Person who conducts business for another company that holds cross-directorships/cross-auditorships with the company (applies to the director him/herself only) j Person who conducts business for an entity receiving donations from the company (applies to the director him/herself only) k Other </div> <p>Please use "○" when the director presently falls or has recently fallen under the category; and "△" when the director fell under the category in the past.</p> <p>Please use "●" when a close relative of the director presently falls or has recently fallen under the category (except h. through j.); and "▲" when a close relative of the director fell under the category in the past.</p> <p>The term "in the past" here means, for example, "a case in which the employee worked for the <u>current</u> parent company in the <u>past</u>." Cases in which the employee is <u>currently</u></p>

Item	Guidance
	<p>working for a <u>past</u> parent company or worked for a <u>past</u> parent company in the <u>past</u> are not applicable.</p> <p>For the phrases such as “parent company,” “fellow subsidiary,” “person who conducts business for,” “major client of the company,” “person/entity for which the company is a major client,” “large amounts of cash or other assets” and “close relative,” the interpretation and the determination of whether or not each item applies are the same as those in the Independent Directors/Auditors Notification submitted to TSE.</p> <p>If there is any notable relationship with the company other than a. through j., please select k. (In that case, you are required to provide a supplementary explanation of said relationship in D. Outside director’s relationship with the company (2)).</p> <p>If it is clearly stated in the “(4) Matters concerning independent directors and independent company auditors —Other matters concerning independent directors and independent company auditors” section that all Outside Directors and outside auditors who meet the qualifications for independent directors/auditors are designated as independent directors/auditors, it is not necessary to select the relevant status in each item for Outside Directors or outside auditors who do not meet the qualifications for independent directors/auditors.</p> <p>If a change in designation occurs during the fiscal year, batch updates may be made on or after the date of the first annual general meeting immediately following the change.</p>
D. Outside Directors’ relationship with the company (2)	
- Membership of Audit and Supervisory Committee (only in the case of a Company with an Audit and Supervisory Committee)	Enter “o” if the Outside Director is a member of the Audit and Supervisory Committee.
- Membership of committee (only in the case of a Company with Three Committees)	Enter “o” if the Outside Director is a member of the Nomination Committee, Remuneration Committee or Audit Committee.
- Designation as independent director	Enter “o” if the Outside Director is designated as an independent director.
- Supplementary explanation of the relationship	<p>Supplementary explanation of the relationship:</p> <p>Please provide a summary of any supplementary information related to the relationship with the company.</p> <p>Please refer to “Part 3, Chapter 1 - Practical considerations for securing independent directors/auditors - I.4. Attribute information”(Japanese only)</p> <p>If it is clearly stated in the “(4) Matters concerning independent directors and independent company auditors —Other matters concerning independent directors and independent company auditors” section that all Outside Directors and outside auditors who meet the qualifications for independent directors/auditors are designated as independent directors/auditors, it is not necessary to give information for the Outside Directors/auditors who do not meet the qualifications for independent directors/auditors.</p> <p>If a change in designation occurs during the fiscal year, batch updates may be made on or after the date of the first annual general meeting immediately following the change.</p>

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<p>- Reasons for appointment</p>	<p>Reasons for appointment of the Outside Director: Please explain why the Outside Director has been appointed in light of their relationship with the company and other factors.</p> <p>(Examples)</p> <ul style="list-style-type: none"> - Reasons for appointment may be stated based on the relevance of the Outside Director’s expertise to the business of the listed company. - Since it is assumed that an emphasis on objectivity and neutrality in management may be a reason for appointment from the perspective of, for example, recognizing the role of the company in society in a fair manner without bias toward the interests of management or specific stakeholders and supervising whether management's performance of its duties is appropriate, it may be appropriate to specifically state such points. - The reason for appointment may be substituted for the reason which was attached to the proposal for appointment at the time of the appointment of the Outside Director. <p>Please describe the listed company's thoughts on the independence of the Outside Directors. Companies may also describe the role and function of the Outside Directors in the listed company.</p> <p>If the expected role of the Outside Director is not based on independence, this role may also be described.</p> <p>Reasons for designation as independent director: If the Outside Director is an independent director, please explain the reason for designating him/her as an independent director.</p> <p>The reason for the designation of the independent director may also include the process leading up to the designation of the independent director and whether the designation process was carried out by a nomination committee or equivalent.</p> <p>The “reasons for designation as independent director” may be described together with the “reasons for appointment of the Outside Director.”</p>
<p>In the case of a Company with a Board of Company Auditors or a Company with an Audit and Supervisory Committee</p>	<p>The following item “(vi) Voluntary establishment of committee(s) equivalent to Nomination/Renumeration Committee” is limited to Companies with a Board of Company Auditors and Companies with an Audit and Supervisory Committee. The items in this section correspond to the “(4) Voluntary established committee(s)” section for Companies with an Audit and Supervisory Committee.</p> <p>(Please refer to the “In the case of a Company with an Audit and Supervisory Committee” section below for the notes related to “(3) Audit and Supervisory Committee.”)</p>
<p>(vi) Voluntary establishment of Committee(s) equivalent to Nomination/Renumeration Committee</p>	<p>Please select whether there is a voluntary committee equivalent to a Nomination Committee or Remuneration Committee.</p>

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A. Status of voluntarily established committee(s), attributes of members constituting the committee and the committee chairperson	<p>If a voluntary committee or committees equivalent to a Nomination Committee or Remuneration Committee are established, please indicate the name of the committee(s) and the number of committee members. For the chairperson of the committee(s), please select from the following options: "inside director," "Outside Director," "outside expert," "other," or "none."</p> <p>The term "inside director" means a director other than an Outside Director.</p> <p>A full-time member means a person who has no other full-time job and who, in principle, devotes themselves to the duties of said committee(s) of the company during the company's business hours.</p> <p>If a single voluntary committee is established and said committee performs the functions of both a Nomination and Remuneration Committee, please enter the same information in each section.</p>
B. Supplementary explanation	<p>Please provide a supplementary explanation of the voluntary committee(s) equivalent to a Nomination or Remuneration Committee. For example, if the voluntary committee is used in the election/dismissal of the CEO or in designing the remuneration system and determining the amount of remuneration for executives, a description to that effect and a summary of the procedures may be included.</p> <p>If any committee members fall into the "other" category in the composition of the committee, please describe their specific attributes.</p> <p>Companies are encouraged to include, for example: the method of selecting committee members; names of each committee member; reasons for selection and roles of each committee member; authority and roles of the committee; approach to the independence of the committee; status of activities (frequency of meetings, major issues discussed, attendance of individual committee members, etc.); and establishment of a secretariat and its size. In addition, this section may be used to make disclosures relating to Supplementary Principle 4.10.1 of the Code (aimed at the Prime Market).</p> <div data-bbox="671 1182 1433 1386" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Supplementary Principle 4.10.1</p> <p><i>In particular, companies listed on the Prime Market should basically have the majority of the members of each committee be independent directors, and should disclose the mandates and roles of the committees, as well as the policy regarding the independence of the composition.</i></p> </div> <p>If a single voluntary committee is established and said committee performs the functions of both a Nomination and Remuneration Committee, please explain to that effect.</p>
In the case of a Company with a Board of Company Auditors	<p>The following section "(3) Company Auditors*" is limited to Companies with a Board of Company Auditors.</p> <p>*Referred to in Code reference translation as "<i>kansayaku</i>"</p>
(3) Company Auditors*	
(i) Establishment of board of company auditors	This item is for indicating whether a Board of Company Auditors is in operation. Please indicate whether or not one has been established.
(ii) Number of company auditors stipulated in articles of incorporation	Please enter the number of company auditors (upper limit) as stipulated in the articles of incorporation. If the articles of incorporation do not specify an upper limit, e.g. only a lower limit is specified, enter "No upper limit."
(iii) Number of company auditors	Please enter the actual number of company auditors as of the date of the last update of the report. Please note that candidates for company auditors are not to be included.
(iv) Cooperation among company	Please describe the status of cooperation among company auditors, accounting

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<p>auditors, accounting auditors and internal audit departments</p>	<p>auditors, and if one has been established, the internal audit department.</p> <p>An “internal audit department” generally means a department that comprehensively and objectively evaluates the appropriateness of an organization’s internal control system independently from other administrative and operational departments, makes recommendations for improvement, and follows up on identified issues.</p> <p>If meetings are held between company auditors and accounting auditors or between company auditors and the internal audit department, the frequency and agenda of such meetings (e.g. audit system, audit plan, status of audit implementation) may be described.</p> <p>Supplementary information about the accounting auditor (refer to Article 126 of the Regulations for Enforcement of the Companies Act.) may also be provided.</p>
<p>(v) Appointment of Outside Company Auditors</p>	<p>The instructions in “1. (2) (v) Election of Outside Directors” apply <i>mutatis mutandis</i> to this “(v) Appointment of Outside Company Auditors,” so please refer to those. In this case, “Outside Directors” should be read as “Outside Company Auditors.”</p> <p>For each of the items under the “Relationship with the company” section below, please select the current, most recent, or previous status.</p> <p>The term "Outside Company Auditor" means an outside company auditor as defined in Article 2, Item 16 of the Companies Act. The same shall apply hereinafter.</p> <p>Relationship with the Company:</p>
<p>A. Number of Outside Company Auditors</p>	<p>a Person who conducts business for the company or its subsidiary</p>
<p>B. Number of Outside Company Auditors designated as independent auditors</p>	<p>b A non-executive director or an accounting advisor of the company or its subsidiaries</p>
<p>C. Outside Company Auditors’ relationship with the company (1)</p>	<p>c Person who conducts business for or a non-executive director of the company’s parent company</p>
<p>D. Outside Company Auditors’ relationship with the company (2)</p>	<p>d A company auditor of a parent company of the company</p> <p>e Person who conducts business for a fellow subsidiary</p> <p>f Person/entity for which the company is a major client or a person who conducts business for said person/entity</p> <p>g Major client of the company or a person who conducts business for said client</p> <p>h Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the company in addition to remuneration as a director/company auditor</p> <p>i Major shareholder of the company (in cases where the shareholder is a corporation, a person who conducts business for the corporation)</p> <p>j Person who conducts business for a client of the company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)</p> <p>k Person who conducts business for another company that holds cross-directorships/cross-auditorships with the company (applies to the auditor him/herself only)</p> <p>l Person who conducts business for an entity receiving donations from the company (applies to the auditor him/herself only)</p> <p>m Other</p>
<p>In the case of a Company with Audit and Supervisory Committee</p>	<p>The following item "(3) Audit and Supervisory Committee" is limited to Companies with an Audit and Supervisory Committee.</p>
<p>(3) Audit and Supervisory Committee</p>	
<p>(i) Composition of Audit and Supervisory Committee and attributes of the chairperson</p>	<p>Please enter the number of Committee members. For the chairperson of the Committee, please select from the following options: "inside director," "Outside Director," or "none."</p> <p>The term “inside director” means a director other than an Outside Director.</p> <p>A full-time committee member means a person who has no other full-time job and who, in principle, devotes themselves to the duties of the various committees of the company during the company’s business hours.</p>

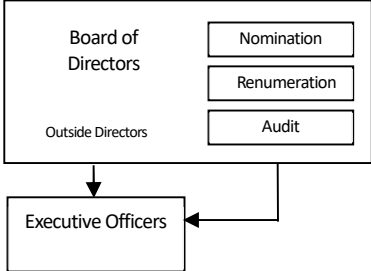
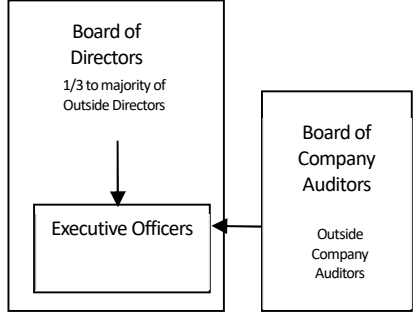
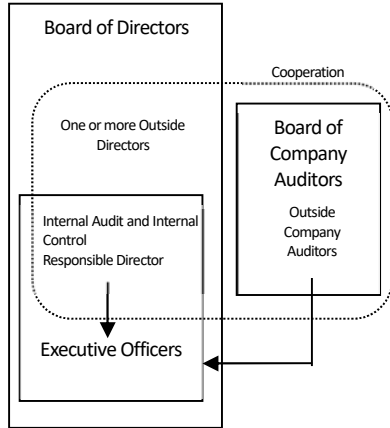
Item	Guidance
<p>(ii) Appointment of directors and/or staff to support the Audit and Supervisory Committee</p>	<p>In cases where directors and/or staff are appointed to support the duties of the Committee:</p> <ul style="list-style-type: none"> - Matters concerning independence of said directors and/or staff from executive officers <p>Please provide an outline of the directors/staff supporting the duties of the Committee. For example, you may describe whether or not they are exclusively assigned to the Committee, and whether or not the Committee has those who belong to other departments support the duties of the Committee in a dual role.</p> <p>You may also mention: whether the consent of the Committee is required for the transfer of said supporting directors/staff; and whether executive officers have the right to direct and order said directors/staff regarding the support of the duties of the Committee.</p> <p>In cases where directors/staff supporting the duties of the Committee are not appointed:</p> <ul style="list-style-type: none"> - Reasons for adopting current system <p>Please describe the reasons for adopting the current system.</p>
<p>(iii) Cooperation among the Audit and Supervisory Committee, accounting auditors and internal audit department</p>	<p>Please describe the status of cooperation among the Committee and accounting auditors, and if one has been established, the internal audit department.</p> <p>An "internal audit department" generally means a department that comprehensively and objectively evaluates the appropriateness of an organization's internal control system independently from other administrative and operational departments, makes recommendations for improvement, and follows up on identified issues.</p> <p>If meetings are held between the Committee and accounting auditors or between the Committee and an internal audit department, the frequency and agenda of such meetings (e.g. audit system, audit plan, status of audit implementation) may be described.</p> <p>Supplemental information about the accounting auditor's information (refer to Article 126 of the Regulations for Enforcement of the Companies Act) may also be provided.</p>
<p>In the case of a Company with Three Committees</p>	<p>The following sections from "(3) Supervisory Committees" to "(5) Auditing Structure" are limited to Companies with Three Committees.</p>
<p>(3) Supervisory committees</p>	<p>Please enter the number of members of each supervisory committee. For the chairperson, please select from the following options: "inside director," "Outside Director," or "none."</p> <p>The term "inside director" means a director other than an Outside Director.</p> <p>A full-time committee member means a person who has no other full-time job and who, in principle, devotes themselves to the duties of the various committees of the company during the company's business hours.</p>
<p>(4) Executive Officers</p>	
<p>(i) Number of executive officers</p>	<p>Please enter the number of executive officers as of the date of the last update of the report. Please note that candidates for executive officers are not to be included.</p>
<p>(ii) Status of concurrent duties</p>	<p>For each executive officer, please indicate whether or not he/she has representative authority.</p> <p>For each executive officer, please indicate whether or not he/she has concurrent duties as a director or an employee.</p> <p>In the case where he/she is serving as both director and executive officer, please indicate whether or not he/she belongs to the Nomination Committee or the Remuneration Committee.</p>
<p>(5) Auditing Structure</p>	

Item	Guidance
(i) Appointment of directors and/or staff to support the Audit Committee	<p>In cases where directors and/or staff are appointed to support the duties of the Committee:</p> <ul style="list-style-type: none"> - Matters concerning independence of said directors and/or staff from executive officers <p>Please provide an outline of the directors/staff supporting the duties of the Committee. For example, you may describe whether or not they are exclusively assigned to the Committee, and whether or not the Committee has those who belong to other departments support the duties of the Committee in a dual role.</p> <p>You may also mention: whether the consent of the Committee is required for the transfer of said supporting directors/ staff; and whether the executive officers have the right to direct and order said directors/staff regarding support of the duties of the Committee.</p> <p>In cases where directors/staff supporting the duties of the Committee are not appointed:</p> <ul style="list-style-type: none"> - Reasons for adopting current system <p>Please describe the reasons for adopting the current system.</p>
(ii) Cooperation among Audit Committee, accounting auditors and internal audit department	<p>Please describe the status of cooperation among the Committee and accounting auditors, and if one has been established, the internal audit department.</p> <p>An “internal audit department” generally means a department that comprehensively and objectively evaluates the appropriateness of an organization’s internal control system independently from other administrative and operational departments, makes recommendations for improvement, and follows up on identified issues.</p> <p>If meetings are held between the Committee and accounting auditors or between the Committee and an internal audit department, the frequency and agenda of such meetings (e.g. audit system, audit plan, status of audit implementation) may be described.</p> <p>Supplemental information about the accounting auditor (refer to Article 126 of the Regulations for Enforcement of the Companies Act) may also be provided.</p>
Items common to all companies	The items (4) through (8) below correspond to items (5) through (9) in the case of a Company with an Audit and Supervisory Committee, and items (6) through (10) in the case of a Company with Three Committees.
(4) Matters concerning independent directors/ independent company auditors	
<ul style="list-style-type: none"> - Number of independent directors/independent company auditors 	<p>This item should be filled with the number of independent directors/independent company auditors.</p> <p>The sum of the figures in “(2) Directors (v) Election of Outside Directors - B. Number of independent directors” and “(3) Company auditors (v) Appointment of Outside Company Auditors - B. Number of Outside Company Auditors designated as independent company auditors” are automatically calculated and displayed in this item.</p>
<ul style="list-style-type: none"> - Other matters concerning independent directors/independent company auditors 	<p>If all Outside Directors and Outside Company Auditors who meet the qualifications for independent directors/independent company auditors are designated as independent directors/independent company auditors, please clarify this in this section.</p> <p>This section may also be used to make disclosures relevant to Principle 4.9 of the Code.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Principle 4.9</p> <p><i>Boards should establish and disclose independence standards aimed at securing effective independence of independent directors, taking into consideration the independence criteria set by securities exchanges. The board should endeavor to</i></p> </div>

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	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p><i>select independent director candidates who are expected to contribute to frank, active and constructive discussions at board meetings.</i></p> </div> <p>If the company establishes criteria for minor transactions or donations that are not likely to affect shareholders' voting decisions and has omitted these from the descriptions of directors'/auditors' relationship with the company, please describe these criteria in this section. If the same criteria are disclosed in other sections (e.g. "2. Matters concerning functions of business execution, auditing and supervision, nomination and remuneration decisions (overview of current corporate governance system)"), it is sufficient to refer to that section.</p> <p>If no independent director/independent company auditor has been appointed, please indicate this as well as your policy and planned future actions for securing them.</p> <p>(Note) Please note that not appointing any independent directors/independent company auditors constitutes a violation of Rule 436-2 of the Securities Listing Regulations and is subject to the measures to ensure effectiveness such as the Public Announcement Measures stipulated in Rule 508 of the Securities Listing Regulations.</p> <p>Please provide any other information that should be supplemented regarding the independent directors/independent company auditors in this section.</p>
(5) Incentives	
(i) Implementation status of measures related to incentives granted to directors and/or executive officers	<p>Stock options schemes shall include those that are not expensed.</p> <p>In cases where a performance-linked remuneration scheme is introduced, if a policy has been formulated for determining the payment ratio of remuneration other than performance-linked remuneration to performance-linked remuneration, companies are encouraged to describe the details of this policy in the supplementary explanation section. Companies should also provide the indicator(s) related to said performance-linked remuneration, the reason for selecting said indicator(s), and the method for determining the amount of said performance-linked remuneration in the supplementary explanation section.</p> <p>In a case where a stock option scheme has been adopted, companies are encouraged to provide the total amount of the scheme and their approach to the level of payment for each individual in the supplementary explanation.</p> <p>In a case where other incentive measures are implemented, please select "Other" and provide an explanation in the supplementary explanation.</p> <p>In a case where measures to provide incentives to directors are not implemented, please explain the reasons for this in the supplementary explanation section.</p>
(ii) Persons eligible for stock options	<p>Only companies that have adopted stock option schemes should fill in this field.</p> <p>The term "inside director" means a director other than an Outside Director.</p> <p>Please explain the reason why the eligible persons have been chosen as eligible in the supplementary explanation section.</p> <p>For stock options, details of the grant and exercise status for each individual grantee may be described in the supplemental explanation section.</p>
(6) Director remuneration	<p>In the case of a Company with Three Committees, this section is called "Remuneration for directors and executive officers."</p>

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(i) Status of disclosure of individual director's remuneration	<p>Please indicate the extent to which individual remuneration is disclosed and describe this extent in the supplemental explanation section.</p> <p>If the amount of remuneration is disclosed in the business report, this disclosure may be referenced. For example, if the amount has been made available for public inspection on the listed company's website, you may explain this in this section.</p> <p>If a specific amount of remuneration has been disclosed, please provide specifics of what is contained within this. For example, you may clarify whether the amount of remuneration includes amounts paid under other names, such as advisory fees or consulting fees. If the amount has been disclosed in the Annual Securities Report, please fill in this field in accordance with that disclosure.</p> <p>If initial listing applicants disclose the amount of remuneration in the "Annual Securities Report for Listing Application (Part I)," this is treated as disclosure made in the Annual Securities Report.</p> <p>For Companies with Three Committees, please also provide the same information in "(ii) Status of disclosure of individual executive officer's remuneration."</p>
(ii) Policy on determining remuneration amounts and calculation methods	<p>In the case of a Company with Three Committees, this item is called "(iii) Policy on determining remuneration amounts and calculation methods."</p> <p>If the company has a policy for determining the amount of remuneration or its calculation method, please enter "Established" and describe the details.</p> <p>This section may also be used to make disclosures relating to Principle 3.1 iii) of the Code.</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p>Principle 3.1</p> <p><i>In addition to making information disclosure in compliance with relevant laws and regulations, companies should disclose and proactively provide the information listed below (along with the disclosures specified by the principles of the Code) in order to enhance transparency and fairness in decision-making and ensure effective corporate governance:</i></p> <p><i>iii) Board policies and procedures in determining the remuneration of the senior management and directors;</i></p> </div>
(7) Support system for Outside Directors (and/or Outside Company Auditors)	<p>If there is a section or person in charge of supporting Outside Directors or Outside Company Auditors, please provide an explanation of this (if they are a full-time staff member, please state to that effect) and the details of their responsibilities.</p> <p>Please provide an overview of the information communication system to Outside Directors and/or Outside Company Auditors.</p> <p>(e.g.) Time spent by Outside Directors and Outside Company Auditors collecting information, policy and approach regarding the level of remuneration for their duties, mechanism and frequency of communication of information from the section or person in charge to Outside Directors and Outside Company Auditors, outline of prior explanations given to Outside Directors and Outside Company Auditors at the time of board meetings (prior distribution of materials and prior explanation), etc.</p>
(8) Status of persons who have retired as representative director and president, etc.	<p>If an explanation is given regarding the relationship between the company and a person who has retired as representative director and president (or equivalent; same applies below), please describe the details of that relationship.</p> <p>(e.g.) If a person who was the representative director and president (or equivalent) continues to hold a position such as advisor or counsel or some other position related to the company after retiring from their position as director or other officer under the Companies Act, the company should provide each person's name, job title and position, responsibilities, terms and conditions of employment (full/part time, with/without remuneration, etc.) and the date when their former role as</p>

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	<p>president/CEO ended as well as the term of office as an advisor or a counsel, etc., and the total number of such persons. In addition, in the “Other related matters” section, the following information may be included:</p> <ul style="list-style-type: none"> - Appointment status of advisors, counselors, etc. (e.g. “Already abolished,” “System in place but no one currently appointed,” etc.); - Involvement of the board of directors and the Nomination/Renumeration Committee upon the establishment, revision or abolition of internal rules concerning advisors and counselors, and upon the appointment of such advisors and counselors; and - Total amount of remuneration for advisors, counselors, etc. <p>(Note 1) Former representative director and president (or equivalent) includes former CEOs and former president and representative executive officers.</p> <p>(Note 2) With respect to responsibilities, if the person is internally involved in the company’s management, the detail of such involvement may be included. In addition to describing responsibilities within the company, if the person represents the company in activities outside the company (e.g. in a public office), the details of such activities may also be included. For those who do not have specific responsibilities or activities on behalf of the company, but are merely granted permission for the use of their title, the company should provide only the name, job title and position, date when the former role as president/CEO ended, and the term of office, and then explain that there are no responsibilities or actual service in the “responsibilities” or “terms and conditions of employment” sections.</p> <p>(Note 3) Remuneration may be in the form of salary, advisory fee, or any other expense item.</p> <p>(Note 4) If there is no fixed term of office, it is acceptable to indicate as such.</p>

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<p>2. Matters concerning functions of business execution, auditing and supervision, nomination and remuneration decisions (overview of current corporate governance system)</p>	<p>When describing “overview of current corporate governance system” and “reasons for adoption of current corporate governance system,” please refer to the following three types of corporate governance models which were presented as models for corporate governance in the “Report by the Financial System Council’s Study Group on the Internationalization of Japanese Financial and Capital Markets” (released on June 17, 2009) by the Sectional Committee on Financial System under the Financial System Council. These models are examples of what is considered appropriate for many listed companies in securing the confidence of shareholders, investors, and other stakeholders. However, it is assumed that the ideal form of corporate governance varies depending on the origin, size, nature of business, and other characteristics of each company, and thus that it is difficult to discuss corporate governance in a uniform manner. Therefore, it is required to sufficiently disclose the current governance structure of each company and the reasons for adopting such a structure.</p> <hr/> <p>(1) Adopting Three Committees System</p>  <hr/> <p>(2) Board of Directors led by Outside Directors</p>  <hr/> <p>(iii) Appointing Outside Directors and Cooperating with the Board of Company Auditors, etc.</p>  <hr/> <p>Regarding business execution, audit and supervision methods, and similar aspects of the current board of directors and other governance structures, please provide an outline of these and specific details of any additional measures to enhance business execution, supervision and other functions.</p> <p>Companies are encouraged to describe the board of directors' activities (frequency of meetings, major issues discussed, attendance of individual directors, etc.).</p> <p>Companies with Three Committees are encouraged to describe the activities of the Nomination Committee and Remuneration Committee (frequency of meetings, major issues discussed, attendance of individual members, etc.)</p>

Item	Guidance
	<p>(Companies with a Board of Company Auditors and Companies with an Audit and Supervisory Committee should describe the activities of any committees corresponding to a Nomination/Renumeration Committee in item (vi) of 1. (2) Directors.)</p> <p>If the company has implemented processes to enhance functions such as business execution and supervision, please describe the specific measures and give other relevant information.</p> <p>(e.g.) Companies may provide an outline (e.g. roles in the business execution and supervision process, member composition as well as gender, internationality, professional background, and age of members), activities, and other details of: statutory conference bodies such as the board of directors and board of company auditors (including each statutory committee and the board of executive officers in the case of a Company with Three Committees); any type of advisory committee established under a name such as management advisory committee or advisory board; management committee; executive committee; and/or managing directors committee, among others.</p> <p>If the company has established any other types of committees, the following information may be given: overview of committee members (i.e. number of full-time members, inside directors, Outside Directors, and outside experts); selection method; reasons for selection and roles; attributes of the chairperson (i.e. inside director, Outside Director, outside expert); status of committee activities, and existence and size of the secretariat, among other things.</p> <p>(Information relating to committees equivalent to a Nomination/Renumeration Committee should be described in item (vi) of 1. (2) Directors.)</p> <p>Companies may also describe the policies and procedures used in nominating candidates for directors and company auditors and in determining the remuneration of senior management and directors.</p> <p>This section may also be used to make disclosures relevant to Principle 3.1 iii) and iv) of the Code.</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p>Principle 3-1</p> <p><i>In addition to making information disclosure in compliance with relevant laws and regulations, companies should disclose and proactively provide the information listed below (along with the disclosures specified by the principles of the Code) in order to enhance transparency and fairness in decision-making and ensure effective corporate governance:</i></p> <p><i>iii) Board policies and procedures in determining the remuneration of the senior management and directors;</i></p> <p><i>iv) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of directors and kansayaku candidates;</i></p> </div> <p>With respect to the status of audits by company auditors and of internal audits, companies may describe such information as their audit policy, audit organization and personnel, and procedures.</p> <p>With respect to accounting audits, companies may provide such information as the name of the audit firm, how long this firm has been carrying out the audit, the name of the certified public accountant who performed the audit, and the composition of assistants for the audit.</p> <p>Please describe in detail the efforts being made to strengthen the function of the statutory auditors.</p> <p>(e.g.) Companies may give details such as availability of human resources and systems to support audits by company auditors; appointment of highly independent Outside Company Auditors; availability of appropriate experience, ability and knowledge of finance, accounting and legal matters among each company auditor; and the appointment of company auditor(s) with sufficient knowledge of finance and accounting matters. (If those details are stated in items (iii) through (v) of 1. (3)</p>

Item	Guidance
	<p>Company auditors, they may be substituted for the description in this item.)</p> <p>If any director, accounting advisor, company auditor, or accounting auditor has entered into a limited liability contract (contract stipulated in Article 427, Paragraph 1 of the Companies Act) with the company, please describe the details of such contract.</p>
<p>3. Reasons for adoption of current corporate governance system</p>	<p>Please provide specific reasons for adopting the current board of directors and other governance structures. In doing so, please refer to the three models above.</p> <p>(e.g.) In cases where the company has adopted a corporate governance framework that is easy to understand for both domestic and foreign investors from the perspective of strengthening the functions of the board of directors, even if this is not a Company with Three Committees system, or cases where the company has adopted a system that ensures accountability of management in normal times, prevents management running out of control in emergency situations, or functions as a safety valve, it may be appropriate to give information from the perspective of such functions.</p> <p>If the company has adopted a system to strengthen the supervisory function of management while effectively utilizing the functions of company auditors, it may be appropriate to describe such a system from the perspective of such functions.</p> <p>In the case of a Company with an Audit and Supervisory Committee or a Company with Three Committees:</p> <p>Please explain the reason(s) for adopting a Company with Audit and Supervisory Committee system or Company with Three Committees system.</p> <p>The company may be evaluated in comparison with a Company with a Board of Company Auditors system in terms of speedier decision-making, transparency of management, and increased support from foreign investors.</p> <p>If there are any measures that are currently being considered for introduction to further enhance the above functions, a summary of such measures may be included.</p> <p>Please describe the role and function of Outside Directors in the listed company.</p> <p>In the case of a Company with a Board of Company Auditors:</p> <p>Please explain the reason(s) for adopting this system in light of the current status of the listed company.</p> <p>Please describe the roles and functions of Outside Directors in the listed company. If no Outside Directors have been appointed, please provide an explanation of this and your future policy for securing them.</p>

III. Implementation of Measures for Shareholders and Other Stakeholders

Item	Guidance
	Please update this section each time the content is changed.
1. Measures to vitalize general shareholder meetings and facilitate exercise of voting rights	<p>Please insert the appropriate item(s) and provide supplementary information for the relevant item(s) in the supplementary explanation section.</p> <p><i>(Items)</i></p> <p><i>a. early posting of notice of the annual general meeting</i></p> <p><i>b. scheduling of the annual general meeting on a non-peak day</i></p> <p><i>c. electronic exercise of voting rights</i></p> <p><i>d. participation in a platform for the electronic exercise of voting rights and other initiatives to enhance environment for institutional investors to exercise voting rights</i></p> <p><i>e. provision of notice (or summary of notice) of the annual general meeting in English</i></p> <p><i>f. other</i></p> <p>The “early posting” in Item a. refers to cases where notices for the most recent annual general meeting were posted at least three business days prior to the statutory deadline. However, this does not represent the definition of sending convening notices “early enough” in Supplementary Principle 1.2.2.</p> <p>The “peak day” in Item b. is the date of the most recent annual general meeting of the company concerned when there are a significant number of other listed companies that held their annual shareholders’ meetings on the same date (usually expected to be the most concentrated date for meetings in the year).</p> <p>Item c. refers to the adoption of environments in which voting rights can be exercised through an electronic voting system. In such cases, companies are encouraged to provide an outline of the system in the supplementary explanation.</p> <p>If the company uses an electronic voting platform for institutional investors (e.g. the platform operated by Investor Communications Japan, Inc. (ICJ), please check Item d.</p> <p>If the company prepares an English translation (a summary is also acceptable) of its notice and other documents related to the annual general meeting, please check Item e. In such cases, in the supplementary explanation section, companies may provide the timing of publication (e.g. simultaneously with the Japanese version) and the method of publication (e.g. posting on the listed company’s website).</p> <p>If the listed company implements other measures to vitalize shareholders’ meetings and facilitate the exercise of voting rights, such as posting the notice and reference materials for shareholders’ meetings on its website as early as possible or holding virtual shareholders’ meetings, select Item “f. Other” and provide an outline of such measures in the supplementary explanation.</p> <p>For initial listing applicants, if there are any items planned for implementation in the future, please select Item “f. Other,” and clearly state as such along with the details of such items in the supplementary explanation section.</p> <p>Companies are encouraged to provide, in the supplementary explanation, the specific date that the notice of the annual general meeting was sent and the date that the annual general meeting was held. The company’s attitude and policy toward general shareholders meetings may also be included.</p>
2. Status of IR-related activities	<p>Please insert the appropriate item(s) and enter whether or not a representative provided an explanation personally. Supplementary information for the relevant item(s) may be provided in the supplementary explanation section.</p> <p><i>(Items)</i></p> <p><i>a. formulation and publication of disclosure policies</i></p> <p><i>b. regular investor briefings held for individual investors</i></p> <p><i>c. regular investor briefings held for analysts and institutional investors</i></p> <p><i>d. regular investor briefings held for overseas investors</i></p>

Item	Guidance
	<p><i>e. online disclosure of IR information</i> <i>f. establishment of department and/or placement of a manager in charge of IR</i> <i>g. other</i></p> <p>The term “representative” means the chairperson, president (including CEOs, COOs, and other persons in positions representing the company) or other representative directors (or representative executive officers).</p> <p>If a disclosure policy is in place and published, please enter Item a.</p> <p>The term “regular investor briefings” as used in Item b. through Item d. refers to briefing sessions that are held at a certain frequency throughout the year, for example, once every six months or once every quarter (at least once a year). In such cases, the following should be included in the supplementary explanation: the timing (date) of the IR activities; the content (e.g. the person giving the explanation, outline of the content); the attributes and number of participants (limited to cases where a briefing session on investment in listed stocks is held); and other relevant information.</p> <p>The term “IR information” in Item e. refers to the documents or electromagnetic files prepared by the company for contributing to an appropriate understanding and evaluation of the current status of the company by investors and similar parties (i.e. investors, securities analysts, business partners, and shareholders). In this case, the URL related to IR should be included in the supplementary explanation along with the types of information for investors that are posted on the website (financial results information, timely disclosure materials other than financial results information, Annual Securities Reports or Quarterly Reports, corporate presentation materials, corporate governance status, notice of annual general meetings), and other information.</p> <p>In the supplementary explanation for Item f., the following should be included: the name of the department in charge of IR, the officer in charge of IR (a person responsible for IR activities of the listed company) and the IR liaison manager (a person in charge of liaison with TSE regarding IR activities of the listed company).</p>
<p>3. Status of measures to ensure due respect for stakeholders</p>	<p>Please insert the appropriate item(s) and provide supplementary information for the relevant item(s) in the supplementary explanation section.</p> <p><i>(Items)</i></p> <p><i>a. establishment of internal rules stipulating respect for the position of stakeholders</i> <i>b. implementation of environmental preservation activities and CSR activities, etc.</i> <i>c. formulation of policies, etc. on provision of information to stakeholders</i> <i>d. other</i></p> <p>“Stakeholders” refers to all interested parties of a company including shareholders, employees, and consumers.</p> <p>In the supplementary explanation for Item b., companies may describe specific details of implementation (e.g. preparation and disclosure of reports (such as environmental reports, CSR reports, sustainability reports, or those with other names) by the company). This section may also be used to make disclosures on Supplementary Principle 3.1.3 of the Code.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Supplementary Principle 3.1.3</p> <p><i>Companies should appropriately disclose their initiatives on sustainability when disclosing their management strategies. They should also provide information on investments in human capital and intellectual properties in an understandable and specific manner, while being conscious of the consistency with their own management strategies and issues.</i></p> </div> <p>(Note) Reports that include sustainability elements can be posted on the “TSE Listed Company Information Service” on the Japan Exchange Group website through registration on TDnet, so please take advantage of this service.</p> <p>In the supplementary explanation for Item d. “others,” companies may describe the current status</p>

Item	Guidance
	<p>of and efforts to promote the appointment of women, foreign nationals, and midcareer hires to executive and managerial positions. This section may also be used to make disclosures on Supplementary Principle 2.4.1 of the Code.</p> <div style="border: 1px solid black; padding: 5px;"> <p>Supplementary Principle 2.4.1</p> <p><i>Companies should present their policies and voluntary and measurable goals for ensuring diversity in the promotion to core human resources, such as the promotion of women, foreign nationals and midcareer hires to middle managerial positions, as well as disclosing their status.</i></p> <p><i>In addition, in light of the importance of human resource strategies for increasing corporate value over the mid-to long-term, companies should present its policies for human resource development and internal environment development to ensure diversity, as well as the status of their implementation.</i></p> </div>

IV. Matters Concerning the Internal Control System

Item	Guidance
<p>1. Basic views on internal control system and status of development</p>	<p>The company's basic views and status of development can be summarized here. Please update this section each time the content is changed.</p>
<p>- Basic views on internal control system</p>	<p>Please describe the listed company's approach (basic policy) on how it will ensure the functionality and results of management's management strategy, business objectives, and other aspects as an organization, from the perspective of ensuring the appropriateness of operations including that the execution of duties is in compliance with laws and regulations and the Articles of Incorporation.</p>
<p>- Status of development</p>	<p>Companies may describe how management establishes a framework and environment for internal control and the status of these.</p> <p>In addition to an explanation of whether the system is operating as designed and whether it is capable of verifying if it is producing results, other aspects such as the contribution to management may also be described.</p> <p>In regards to the status of compliance frameworks, if the company establishes a framework to ensure that the execution of duties by directors or employees complies with laws and regulations and the Articles of Incorporation, the details of the framework should be described (e.g. the establishment and disclosure of internal compliance and ethics codes, whether an internal reporting system is established or not, and the relationship between the internal reporting system and the organizational structure for timely disclosure).</p> <p>In regards to the status of risk management systems, if the company establishes rules for loss risk management, rules for company-wide risk management, or other systems, the details of such rules should be explained (e.g. internal rules that stipulate procedures for preventing the occurrence of various risks and how to deal with the risks when they occur, and policies regarding risk appetite, if any).</p> <p>In regards to information management systems, if the company establishes a system for the storage and management of information related to the execution of duties by directors or employees, the details of the system should be described (e.g. methods for recording various types of information, number of years of storage).</p> <p>Companies should also describe matters related to internal control by the accounting auditor(s). If the company has affiliated companies, the status of systems to ensure the appropriateness of business operations should be described for the entire corporate group consisting of the company, its parent company and subsidiaries.</p>
<p>2. Basic views on measures for eliminating anti-social forces and status of development</p>	<p>The basic views and status of development can be summarized here. Please update this section each time the content is changed.</p> <p>It is not necessary to adopt a board of directors' resolution to describe the basic views and status of development in the Corporate Governance Report. It is acceptable to describe the current views and status of development. However, according to government guidelines ("<i>Guidelines for Enterprises to Prevent Damage Caused by Antisocial Forces</i>," published by a meeting of cabinet ministers responsible for anti-crime measures on June 19, 2007), "<i>Prevention of damage caused by antisocial forces should be clearly positioned in the internal control system as a compliance and risk management item necessary to ensure the appropriateness of business operations.</i>" Thus, please take this into consideration when positioning the policy as part of the internal control system under the Companies Act and deciding whether or not to submit it to the board of directors for resolution.</p>
<p>- Basic views on measures for eliminating anti-social forces</p>	<p>Please describe the listed company's approach (basic policy) for preventing involvement of antisocial forces in management activities and preventing damage caused by such forces.</p>
<p>- Status of development</p>	<p>From the perspective of preventing involvement of anti-social forces in management activities and preventing damage caused by such forces, please describe the development status of</p>

Item	Guidance
	<p>codes of ethics, codes of conduct, internal rules, and the like, as well as the internal systems, that are intended to address this on an organization-wide basis.</p> <p>The development status of internal systems, for example, may include the following information on the status of day-to-day preparations for improper requests by antisocial forces:</p> <ul style="list-style-type: none"> (1) establishment of a department in charge of response and a person in charge of preventing improper requests (2) cooperation with outside specialist organizations (3) collection and management of information on antisocial forces (4) provision of response manuals (5) implementation of training activities <p>The “Guidelines for Enterprises to Prevent Damage Caused by Antisocial Forces” may be used as a reference for the provided information.</p>

V. Other

Item	Guidance
	Please update this section each time the content is changed.
1. Adoption of anti- takeover measures	<p>Please indicate whether or not anti-takeover measures have been adopted as of the date of the last update of the report.</p> <p>For companies that adopt anti-takeover measures, please provide a brief description of the purpose of the adoption and an outline of the scheme. "Anti-takeover measures" refers to measures aiming to make the acquisition (meaning the action of acquiring enough shares of a company to exercise influence over that company) of the relevant listed company difficult, which are adopted prior to the commencement of a takeover by a party that is not considered suitable by management; for example, where new shares or subscription warrants are issued without a primary business purpose such as fundraising. The term "adopted" above refers to determining the specific details of anti-takeover measures, such as a decision to issue new shares or subscription warrants.</p> <p>The management's evaluation and opinion on the reasonableness of such anti-takeover measures may also be included.</p> <p>If the listed company discloses an outline of anti-takeover measures on its website, the URL may be provided.</p> <p>If the company has determined basic policies regarding the way a person is to control the determination of financial and business policies of the company (see Article 118, Item (iii) of the Regulations for Enforcement of the Companies Act), please describe the details of said policies.</p> <p>For initial listing applicants, if the company plans to introduce anti-takeover measures, please describe the details of said measures.</p>
2. Other matters concerning the corporate governance system	Future issues to be considered for enhancing corporate governance, measures under consideration, future goals, and related information may be described in this section.
- Attachment of schematic diagram (reference material)	<p>Please prepare a schematic diagram of the corporate governance system, including an overview of the internal control system, as a separate reference material.</p> <p>Please provide a brief diagram of the relationships between the shareholders' meeting, the board of directors, and (the board of) company auditors; the establishment of specific management committees, advisory boards, independent advisory committees (including voluntary nomination/renumeration committees whose main members are independent directors), or other similar bodies; and their cooperation with the internal control systems, accounting auditors, and internal audit departments.</p>
- Outline of organizational structure for timely disclosure	<p>Please refer to "Outline of Organizational Structure for Timely Disclosure and Key Objectives for its Establishment" (later in this document) when preparing the outline (schematic diagram) of the organizational structure for timely disclosure.</p> <p>Please use this section when providing a textual explanation of the outline of the organizational structure for timely disclosure. If a schematic diagram is prepared, attach it after the schematic diagram of the corporate governance system which includes the internal control system.</p>

Attachment 1: Principles of the Code Stating that Certain Matters Should be Disclosed

Principle	Contents
Principle 1.4	<p>When companies hold shares of other listed companies as cross-shareholdings*, they should disclose their policy with respect to doing so, including their policies regarding the reduction of cross-shareholdings. In addition, the board should annually assess whether or not to hold each individual cross-shareholding, specifically examining whether the purpose is appropriate and whether the benefits and risks from each holding cover the company's cost of capital. The results of this assessment should be disclosed.</p> <p>Companies should establish and disclose specific standards with respect to the voting rights as to their cross-shareholdings, and vote in accordance with the standards</p> <p>* Cross-shareholding: There are cases where listed companies hold the shares of other listed companies for reasons other than pure investment purposes, for example, to strengthen business relationships. Cross-shareholdings here include not only mutual shareholdings but also unilateral ones.</p>
Principle 1.7	<p>When a company engages in transactions with its directors or major shareholders (i.e., related party transactions), in order to ensure that such transactions do not harm the interests of the company or the common interests of its shareholders and prevent any concerns with respect to such harm, the board should establish appropriate procedures beforehand in proportion to the importance and characteristics of the transaction. In addition to their use by the board in approving and monitoring such transactions, these procedures should be disclosed.</p>
Supplementary Principle 2.4.1	<p>Companies should present their policies and voluntary and measurable goals for ensuring diversity in the promotion to core human resources, such as the promotion of women, foreign nationals and midcareer hires to middle managerial positions, as well as disclosing their status.</p> <p>In addition, in light of the importance of human resource strategies for increasing corporate value over the mid-to long-term, companies should present its policies for human resource development and internal environment development to ensure diversity, as well as the status of their implementation.</p>
Principle 2.6	<p>Because the management of corporate pension funds impacts stable asset formation for employees and companies' own financial standing, companies should take and disclose measures to improve human resources and operational practices, such as the recruitment or assignment of qualified persons, in order to increase the investment management expertise of corporate pension funds (including stewardship activities such as monitoring the asset managers of corporate pension funds), thus making sure that corporate pension funds perform their roles as asset owners. Companies should ensure that conflicts of interest which could arise between pension fund beneficiaries and companies are appropriately managed.</p>
Principle 3.1	<p>In addition to making information disclosure in compliance with relevant laws and regulations, companies should disclose and proactively provide the information listed below (along with the disclosures specified by the principles of the Code) in order to enhance transparency and fairness in decision-making and ensure effective corporate governance:</p> <ul style="list-style-type: none"> i) Company objectives (e.g., business principles), business strategies and business plans; ii) Basic views and guidelines on corporate governance based on each of the principles of the Code; iii) Board policies and procedures in determining the remuneration of the senior management and directors; iv) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of directors and kansayaku candidates; and v) Explanations with respect to the individual appointments/dismissals and nominations based on iv).
Supplementary Principle 3.1.3	<p>Companies should appropriately disclose their initiatives on sustainability when disclosing their management strategies. They should also provide information on investments in human capital and intellectual properties in an understandable and specific manner, while being conscious of the consistency with their own management strategies and issues.</p> <p>In particular, companies listed on the Prime Market should collect and analyze the necessary data on the impact of climate change-related risks and earning opportunities on their business activities and profits, and enhance the quality and quantity of disclosure based on the TCFD recommendations, which are an internationally well-established disclosure framework, or an equivalent framework.</p>

Principle	Contents
Supplementary Principle 4.1.1	The board should clearly specify its own decisions as well as both the scope and content of the matters delegated to the management , and disclose a brief summary thereof .
Principle 4.9	Boards should establish and disclose independence standards aimed at securing effective independence of independent directors , taking into consideration the independence criteria set by securities exchanges. The board should endeavor to select independent director candidates who are expected to contribute to frank, active and constructive discussions at board meetings.
Supplementary Principle 4.10.1	If the organizational structure of a company is either Company with <i>Kansayaku</i> Board or Company with Supervisory Committee, and independent directors do not compose a majority of the board, in order to strengthen the independence, objectivity and accountability of board functions on the matters of nomination (including succession plan) and remuneration of the senior management and directors, the company should seek appropriate involvement and advice from the committees, including from the perspective of gender and other diversity and skills, in the examination of such important matters as nominations and remuneration by establishing an independent nomination committee and remuneration committee under the board, to which such committees make significant contributions. In particular, companies listed on the Prime Market should basically have the majority of the members of each committee be independent directors, and should disclose the mandates and roles of the committees, as well as the policy regarding the independence of the composition .
Supplementary Principle 4.11.1	The board should identify the skills, etc. that it should have in light of its managing strategies, and have a view on the appropriate balance between knowledge, experience and skills of the board as a whole, and also on diversity and appropriate board size . Consistent with its view, the board should establish policies and procedures for nominating directors and disclose them along with the combination of skills, etc. that each director possesses in an appropriate form according to the business environment and business characteristics, etc., such as what is known as a "skills matrix." When doing so, independent director(s) with management experience in other companies should be included.
Supplementary Principle 4.11.2	Outside directors, outside <i>kansayaku</i> , and other directors and <i>kansayaku</i> should devote sufficient time and effort required to appropriately fulfill their respective roles and responsibilities. Therefore, where directors and kansayaku also serve as directors, kansayaku or the management at other companies, such positions should be limited to a reasonable number and disclosed each year.
Supplementary Principle 4.11.3	Each year the board should analyze and evaluate its effectiveness as a whole , taking into consideration the relevant matters, including the self-evaluations of each director. A summary of the results should be disclosed.
Supplementary Principle 4.14.2	Companies should disclose their training policy for directors and kansayaku .
Principle 5.1	Companies should, positively and to the extent reasonable, respond to the requests from shareholders to engage in dialogue (management meetings) so as to support sustainable growth and increase corporate value over the mid- to long-term. The board should establish, approve and disclose policies concerning the measures and organizational structures aimed at promoting constructive dialogue with shareholders .

Attachment 2: Principles of the Code Aimed at the Prime Market

Principle	Contents
Supplementary Principle 1.2.4	<p>Bearing in mind the number of institutional and foreign shareholders, companies should take steps for the creation of an infrastructure allowing electronic voting, including the use of the Electronic Voting Platform, and the provision of English translations of the convening notices of general shareholder meeting.</p> <p>In particular, companies listed on the Prime Market should make the Electronic Voting Platform available, at least to institutional investors.</p>
Supplementary Principle 3.1.2	<p>Bearing in mind the number of foreign shareholders, companies should, to the extent reasonable, take steps for providing English language disclosures.</p> <p>In particular, companies listed on the Prime Market should disclose and provide necessary information in their disclosure documents in English.</p>
Supplementary Principle 3.1.3	<p>Companies should appropriately disclose their initiatives on sustainability when disclosing their management strategies. They should also provide information on investments in human capital and intellectual properties in an understandable and specific manner, while being conscious of the consistency with their own management strategies and issues.</p> <p>In particular, companies listed on the Prime Market should collect and analyze the necessary data on the impact of climate change-related risks and earning opportunities on their business activities and profits, and enhance the quality and quantity of disclosure based on the TCFD recommendations, which are an internationally well-established disclosure framework, or an equivalent framework.</p>
Principle 4.8	<p>Independent directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third of their directors as independent directors (two directors if listed on other markets) that sufficiently have such qualities.</p> <p>Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors (at least one-third of directors if listed on other markets) as independent directors based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, it should appoint a sufficient number of independent directors.</p>
Supplementary Principle 4.8.3	<p>Companies that have a controlling shareholder should either appoint at least one-third of their directors (the majority of directors if listed on the Prime Market) as independent directors who are independent of the controlling shareholder or establish a special committee composed of independent persons including independent director(s) to deliberate and review material transactions or actions that conflict with the interests of the controlling shareholder and minority shareholders.</p>
Supplementary Principle 4.10.1	<p>If the organizational structure of a company is either Company with <i>Kansayaku</i> Board or Company with Supervisory Committee and independent directors do not compose a majority of the board, in order to strengthen the independence, objectivity and accountability of board functions on the matters of nomination (including succession plan) and remuneration of the senior management and directors, the company should seek appropriate involvement and advice from the committees, including from the perspective of gender and other diversity and skills, in the examination of such important matters as nominations and remuneration by establishing an independent nomination committee and remuneration committee under the board, to which such committees make significant contributions.</p> <p>In particular, companies listed on the Prime Market should basically have the majority of the members of each committee be independent directors, and should disclose the mandates and roles of the committees, as well as the policy regarding the independence of the composition.</p>

Attachment 3: Outline of Organizational Structure for Timely Disclosure and Key Objectives for its Establishment

1. Outline of Organizational Structure for Timely Disclosure

An internal organizational structure for timely disclosure is not merely a business process for disclosure procedures or an internal flow of corporate information, but is an internal system that enables companies to carry out timely and appropriate disclosure of material corporate information.

As long as a company's securities are listed on financial instruments markets, timely and appropriate disclosure is an important responsibility, and companies are strictly required to develop and operate a system to fulfill this responsibility. In addition, appropriate disclosure is recognized as useful from a management perspective, as gaining the trust of the financial instruments market through the appropriate execution of timely disclosure operations will lead to the maintenance and improvement of corporate value over the medium to long term.

An organizational structure for timely disclosure is something that each listed company develops as appropriate based on its own circumstances. Therefore, it will naturally differ depending on the policies and intentions of each company in developing and operating its internal systems. The decision on the kind of structure to be established is left to the judgment of each company, but regardless, it must ensure a certain level of timely disclosure.

2. Key Objectives for Establishing Organizational Structure for Timely Disclosure

In order to ensure the level of timely disclosure required, it is first necessary to properly develop a system to execute timely disclosure operations. Specifically, it is necessary to develop procedures that put an adequate emphasis on promptness of disclosure at all times. In addition, companies are required to establish procedures by which: information subject to disclosure is properly identified and comprehensively collected; disclosure materials are prepared accurately, clearly, and with sufficient information for investment decisions while maintaining compliance with listing rules and other related laws and regulations; official corporate approval and decisions are made; and finally, the information is released at an appropriate time with due regard to fairness among investors.

It is also necessary to establish a staff body that is fully capable of carrying out the procedures to accomplish the above key objectives. Furthermore, it is very important not only to establish such procedures and organizations, but also to ensure through monitoring that they are being effectively operated.

In addition, considering the importance of timely disclosure, it is essential that a system for executing timely disclosure operations be established to satisfy the above objectives with appropriate involvement of management. In order for this system to function properly, it is important to ensure proper implementation not only through development of the staffing structure and procedures, but also through the management itself recognizing the importance of timely disclosure, clearly stating its stance and policy, and informing and educating its employees about these.

Furthermore, in order to ensure timely and appropriate disclosure in all cases, it is considered necessary to recognize and analyze the company's own characteristics and risks related to disclosure from the perspective of timely disclosure, develop a system to execute timely disclosure operations based on these characteristics and risks, and operate timely disclosure operations with constant awareness of these characteristics and risks.

As shown in Chart 1.1, the key steps for establishing an organizational structure for timely disclosure can be divided into two main categories: "matters to be considered when developing a system for executing timely disclosure operations" and "system for executing timely disclosure operations."

Chart 1.1: Key Steps for Establishing Organizational Structure for Timely Disclosure

Category	Step	Items for Consideration
1 Matters to be considered when developing a system for executing timely disclosure operations	1. Communication of and education on management's stance and policy, etc.	<ul style="list-style-type: none"> A. Clarification of management's stance and policy B. Communication of and education on management's stance and policy C. Management's implementation of its stance and policy D. Corporate governance in relation to the organizational structure for timely disclosure
	2. Recognition and analysis of the company's characteristics and risks related to timely disclosure	<ul style="list-style-type: none"> A. Recognition and analysis of the company's characteristics relating to timely disclosure B. Recognition and analysis of risks related to timely disclosure and their causes
2 System for executing timely disclosure operations	1. Establishment of a staff body in charge of disclosure	<ul style="list-style-type: none"> A. Establishment of a department in charge of disclosure B. Company-wide response system C. Education on disclosure D. Scope of system development
	2. Development of procedures for timely disclosure	<ul style="list-style-type: none"> A. Procedures and process for disclosure B. Types of information subject to disclosure C. Ensuring that all employees are aware of the developed procedures D. Key targets of procedure for timely disclosure (See Chart 1.2) E. Links to other internal procedures closely related to procedures for timely disclosure
	3. Development of a monitoring system for the organizational structure for timely disclosure	<ul style="list-style-type: none"> A. Monitoring by the internal audit department, etc. B. Monitoring by company auditors (or an Audit and Supervisory Committee or Audit Committee)

Chart 1.2: Key Targets of Procedures for Timely Disclosure

Process	Key Target	Details
(1) Information collection process	a. Promptness	Promptly collect information subject to timely disclosure
	b. Comprehensiveness	Comprehensively collect information subject to timely disclosure
	c. Timeliness	Manage disclosure operations to ensure information subject to timely disclosure can be disclosed in a timely manner
(2) Analysis and judgement process	d. Legality	Conduct timely disclosure operations in compliance with relevant laws/regulations and the Securities Listing Regulations
	e. Accuracy	Ensure the accuracy of information to be disclosed
	f. Formality	In addition to the accuracy and legality of the information, make official approvals/decisions as a company after confirming the sufficiency, clarity, and other aspects of the content of disclosure materials
(3) Publication process	g. Fairness	Give consideration to fairness when releasing disclosure materials
	h. Proactiveness	Be proactive about releasing disclosure materials

3. Notes on Providing Outline (Schematic Diagram) of Organizational Structure for Timely Disclosure and Key Objectives for Establishing the Structure

When providing an outline (schematic diagram) of the organizational structure for timely disclosure, it is helpful to explain the company's organizational structure for timely disclosure to investors in a concise and easy-to-understand manner by taking into account the key objectives for establishing the structure and stating just the important points in a clear and concise manner. It is not necessary to write about all the key objectives in detail.

From the outset, the organizational structure for timely disclosure should be established by each company in line with a clear stance and policy based on recognition and analysis of the company's own characteristics and risks related to disclosure, so the structure established as a result can be unique to each company. Therefore, when presenting and explaining the key objectives of the structure to investors, the most important information is what matters the company has considered and what stance and policy it has adopted in developing its own system. It is also appropriate to keep in mind that the information that the company considers important should be described clearly and based on the key targets. If there are several closely related points, it could be advisable to combine these instead of listing each one separately.

However, in order for users to easily understand the structure of each company, specific information on the staff body in charge of disclosure and an outline of disclosure procedures must be provided in an easy-to-understand manner.

For specific ways to present information, please refer to the key objectives for each item. It is important for each company to reexamine or review its organizational structure for timely disclosure based on its own characteristics and risks, and then provide information with awareness of the relationship between the key objectives and its own internal system.

(1) Matters to be considered when developing a system for executing timely disclosure operations

(i) Communication of and education on management's stance and policy

The stance and policy of a listed company's management on disclosure are important for investors to understand the organizational structure for timely disclosure of each company. The management's stance and policy on disclosure should be clearly stated, in addition to a brief description of the status of internal communication and education. Given the importance of management's role in the organizational structure for timely disclosure, it is also important to describe the role of management in the development of the structure and its actual operation.

Furthermore, when describing the corporate governance system, it is better if the description is concise and focuses on its relationship with the organizational structure for timely disclosure.

Item for Consideration	Key Objectives
A. Clarification of management's stance and policy	<p>There is no doubt that the most important factor in proper implementation of timely disclosure by listed companies is their management's own stance toward disclosure. It is also clear from several recent cases of inappropriate disclosure that no matter how an organizational structure for timely disclosure is developed, its effectiveness can be undermined by the inappropriate actions of management.</p> <p>Therefore, it is important for management to be fully aware of the importance of timely disclosure and to clearly state its own stance and policy on disclosure.</p>
B. Communication of and education on management's stance and policy	<p>It is important for effective functioning of the organizational structure for timely disclosure to ensure that management's own stance and policy on disclosure are well known within the company as the company's stance and policy. No matter how a structure is developed, unless all officers and employees outside of management are fully aware of it, there will be a large gap between the policy and actual operations, causing the structure to lose its effectiveness. Therefore, it is important that the management makes its stance and policy on disclosure known to its officers and employees through internal education and daily activities, and to build a corporate culture that emphasizes timely disclosure.</p>

Item for Consideration	Key Objectives
C. Management's implementation of its stance and policy	<p>It is important not only to set forth management's stance and policy, but also that management directly puts that stance and policy into practice.</p> <p>Considering the importance of management's role in the organizational structure for timely disclosure, it is essential that the structure be established with appropriate involvement of management. In addition, management should play a certain direct role in the actual operation of the structure.</p> <p>For example, the following measures may be considered:</p> <ul style="list-style-type: none"> (i) Management establishes an organizational structure for timely disclosure based on its own stance and policies and is involved in actual operations of the structure by receiving reports on important matters; or (ii) Management is directly involved in disclosure operations.
D. Corporate governance in relation to the organizational structure for timely disclosure	<p>Corporate governance pertaining to the company as a whole is a matter of fundamental importance to the management of the company, and effective functioning of corporate governance is extremely important as a precondition for the company's various activities. In the same way, it is considered that effective functioning of corporate governance is a prerequisite for development of an effective organizational structure for timely disclosure.</p> <p>Considering the importance of timely disclosure in listed companies, the corporate governance system should be consistent with the above-mentioned management's stance and policy toward disclosure, and be designed with a mind to its relationship to the organizational structure for timely disclosure (i.e. whether it can lead to effective establishment and maintenance of the structure).</p>

(ii) Recognition and analysis of the company's characteristics and risks related to timely disclosure

All of the items related to timely disclosure mentioned above should be considered as a precondition for each company to develop a system for executing timely disclosure operations. Therefore, they should be described concisely, including their relationship to the system for executing timely disclosure operations.

Regarding recognition and analysis of risks related to timely disclosure, matters that cause any notable risks should be included, or if a specific system has been established from the viewpoint of clearly addressing the risks, an outline of this. In such cases, since risks and characteristics are often closely related, a description of the relationship between them could also be included.

Items for Consideration	Key Objectives
A. Recognition and analysis of the company's characteristics related to timely disclosure	<p>In establishing an organizational structure for timely disclosure, it is necessary to fully recognize and analyze the characteristics of the company from the perspective of timely disclosure. This is because the effectiveness of the organizational structure for timely disclosure is greatly affected by the company's size, geographic dispersion of offices, business type, and other factors.</p> <p>In developing a system to execute timely disclosure operations, it is appropriate for listed companies to establish a system appropriate for their own characteristics from the viewpoint of timely disclosure, and to operate within the established system with a constant awareness of these characteristics.</p> <p>Examples of characteristics related to timely disclosure:</p> <ul style="list-style-type: none"> Company size Geographic dispersion of offices Diversification of businesses Types of businesses

Items for Consideration	Key Objectives
B. Recognition and analysis of risks related to timely disclosure and their causes	<p>It is also important to recognize and analyze risks related to timely disclosure and their causes on an ongoing basis. There have been many cases in which inappropriate disclosures have caused significant damage to a company, and even if there is no direct impact, repeated inappropriate disclosures may reduce the reliability of the company's disclosures and its reputation in society. Improper disclosure, which in itself is a timely disclosure-related risk, and its effects can be considered common to all listed companies, regardless of the extent of the effects. On the other hand, causes of such risks vary depending on each company's circumstances, including the aforementioned characteristics related to disclosure.</p> <p>Therefore, it is necessary to fully understand inappropriate disclosures and their effects, as well as the matters that cause them, and to carry out ongoing analysis in order to establish and maintain an organizational structure for timely disclosure with an awareness of the associated risks.</p>

(2) System for executing timely disclosure operations

A system for timely and appropriate execution of timely disclosure operations should be developed and operated by management based on the various circumstances of the company and also taking into consideration effectiveness and efficiency of operations. In addition, considering that each company is exposed to a variety of different environments, it is normal that the system differs from company to company. However, as a listed company, it is necessary to establish a system to execute timely disclosure operations at a certain level.

We present the key objectives of establishing a system from the viewpoints of “staff body in charge of disclosure” and “disclosure procedures.” It should be noted that the staff body in charge of disclosure should be a body that is fully capable of executing the disclosure procedures stipulated by the company, and the disclosure procedures should be procedures that are fully capable of achieving certain key targets needed for disclosure. Although these two viewpoints are inextricably linked and cannot necessarily be clearly separated, we have made this distinction for the sake of clarity. This document presents key objectives for the establishment of a system from both of these perspectives.

In addition, in order to ensure the effectiveness of the system developed to execute timely disclosure operations, it is also important to develop and operate a monitoring system for the organizational structure for timely disclosure.

(i) Establishment of a staff body in charge of disclosure

Companies are encouraged to clearly state the position and role of the department in charge of disclosure as well as the role of other bodies/departments in the organizational structure for timely disclosure and their relationship with the department in charge of disclosure. It is also important for investors judging the reliability of a company's timely disclosure to know the level of management resources the listed company invests in timely disclosure and what kind of system it has in place.

Since the staff body and procedures for timely disclosure are closely related, companies could explain the below information together with the procedures for timely disclosure. In this case, the staff body and procedures should be described in a manner that clearly outlines each.

The following items should be included in this section:

- Outline of the staff body in charge of disclosure (name of body, number of employees, etc.)
- Person responsible for disclosure (position, role, etc.)
- Internal training on disclosure
- Situation at group companies
- Internal rules on disclosure

Items for Consideration	Key Objectives
A. Establishment of a department in charge of disclosure	<p>In establishing the system to execute timely disclosure operations, the first step is to determine a department and personnel to be directly in charge of disclosure operations, and appoint a person responsible for said operations.</p> <p>It is assumed that management establishes the staff body and determines the number of personnel, taking into consideration the company's own characteristics and risks related to timely disclosure, as well as efficiency of and costs related to such operations. However, as a listed company, timely and appropriate disclosure is an important responsibility that must not be neglected. The department in charge of disclosure must be maintained in a way that enables it to meet the standards that are considered sufficient to ensure timely and appropriate disclosure.</p> <p>(Note) Listed companies are required to appoint a person responsible for the handling of information, who is in charge of responding to inquiries from TSE regarding timely disclosure and communicating with TSE regarding disclosure of other corporate information. It is important that this person is appropriately positioned within each company's organizational structure for timely disclosure in light of the importance of their role.</p>
B. Company-wide response system	<p>It is also important to establish a company-wide system for timely disclosure. Since information subject to disclosure occurs in various parts of a company, both inside and outside, it is necessary to build a system for cooperation with disclosure that involves not only the department (or person) that directly executes timely disclosure operations, but the entire company (including group companies) in order to comprehensively collect information subject to disclosure. Specifically, for example, a company could assign a person in charge of collecting information for disclosure within each department of the company.</p> <p>In addition, involving departments (or personnel) other than the department in charge of disclosure in some way enables multifaceted and comprehensive decision-making in disclosure operations and raises awareness of disclosure throughout a company, thereby enhancing the effectiveness of the organizational structure for timely disclosure. Specific measures could include the establishment of a consultative structure with the heads of multiple departments other than the one in charge of disclosure, or the establishment of a voluntary committee such as a disclosure committee for the purpose of involvement in disclosure operations. In such cases, the composition of the members and the specific role of the new structure will be important points to consider.</p>
C. Education on disclosure	<p>In addition to establishing a department in charge of disclosure, it is also important to provide education on disclosure to enhance and maintain the knowledge and ability of the officers and employees involved in disclosure operations, including those in the department in charge of disclosure. This is because no matter what kind of personnel and bodies are set up, if they do not have a good understanding of the timely disclosure system, it is difficult to ensure effectiveness in the handling of disclosure operations.</p>
D. Scope of system development	<p>Companies are required to establish a system by which information on related companies such as subsidiaries and parent companies that are subject to timely disclosure is collected and understood in consideration of the above points. Therefore, it is necessary to develop both systems within the subsidiaries and parent company and a system for communication between the parent company, subsidiaries, and other companies in the group.</p>

(ii) Timely disclosure procedures

Along with the staff body in charge of disclosure, disclosure procedures form the core of the system for executing timely disclosure operations. Disclosure procedures should be explained separately per process and per type of information, or by using charts and diagrams, and in relation to the key targets, so that their main points can be clearly understood.

Since the staff body in charge of disclosure and disclosure procedures are closely related, it could be acceptable to explain them together. However, in this case, companies are encouraged to provide a clear overview of both

the staff body and procedures.

Items for Consideration	Key Objectives
A. Disclosure procedures and processes	<p>In executing disclosure operations, companies are required to: put an adequate emphasis on the promptness of disclosure; properly identify and comprehensively collect information subject to disclosure; prepare disclosure materials with accurate and clear information which is sufficient for investment decisions while complying with listing rules and other related laws and regulations; make official company approvals and decisions after carrying out appropriate checks and confirming approvals internally; and disclose the information at appropriate times with due regard to fairness among investors.</p> <p>Specific procedures to be adopted by each listed company will vary depending on the circumstances of each company. Therefore, while no specific procedure is mandatory, as a listed company, it is necessary to develop disclosure procedures to ensure a sufficient level of timely and appropriate disclosure.</p> <p>This section identifies and describes the key targets for disclosure processes to ensure the necessary level of disclosure. Based on the information provided by each company, disclosure processes are divided into (1) information collection process, (2) analysis and judgement process and (3) publication process, in line with the operational flow. The information collection process is the process of collecting information subject to disclosure produced or generated within a company. The analysis and judgement process is the process of checking the accuracy of the information collected in the information collection process, preparing disclosure materials, and making official approvals and decisions. The publication process is the process of releasing disclosure materials via TDnet or by other means.</p>
B. Types of information subject to disclosure	<p>The information subject to disclosure under the Securities Listing Regulations can be broadly classified into (1) decision facts, (2) occurrence facts and (3) financial results information. Since disclosure procedures are expected to differ depending on the type of information, it is necessary to establish a system that covers all such information when developing procedures.</p>
C. Ensuring awareness of the procedures established within the company	<p>In order to ensure that the established procedures are thoroughly communicated within the company, effective methods could include clearly stating the procedures, compiling manuals, and distributing written documents. It is also possible to establish internal rules together with provisions regarding the department in charge of disclosure and the responsible person.</p>
D. Key targets for timely disclosure procedures	<p>This item highlights the key targets that should be achieved in each process when making timely disclosure (see Chart 1.2 for the list). Regardless of the procedure chosen, it should be developed to effectively achieve these key targets. When actually developing procedures, it is recommended to consider aiming to achieve multiple key targets across each process from the viewpoint of efficiency.</p>
	<p>(1) Key targets for the information collection process</p> <ul style="list-style-type: none"> a. Promptly collect information subject to timely disclosure (promptness) b. Comprehensively collect information subject to timely disclosure (comprehensiveness) c. Manage disclosure operations to ensure information subject to timely disclosure can be disclosed in a timely manner (timeliness) <p>Details of key targets:</p> <p>For timely and appropriate information disclosure, companies must establish procedures in the information collection process so that each department within the company quickly and comprehensively collects information that is produced or becomes known, and communicates such information to the department in charge of disclosure. It is also appropriate to ensure information communication channels in case of emergency and those outside the regular internal channels (e.g., a whistle-blowing system).</p>

Items for Consideration	Key Objectives
	<p>(2) Key targets for the analysis and judgement process</p> <ul style="list-style-type: none"> d. Conduct timely disclosure operations in compliance with relevant laws/regulations and the Securities Listing Regulations (legality) e. Ensure the accuracy of information to be disclosed (accuracy) f. In addition to the accuracy and legality of the information, make official approvals/decisions as a company after confirming the sufficiency, clarity, and other aspects of the content of disclosure materials (formality) <p>Details of key targets:</p> <p>In the analysis and judgement process, as well as ensuring the legality and accuracy of information to be disclosed in the information collection process, companies are required to prepare disclosure materials, confirm that the content is sufficient and clear, and carry out official company approvals and decisions. In this process, it is important that the timeliness of disclosure is maintained and that the Securities Listing Rules and other relevant laws and regulations are complied with when preparing disclosure materials and performing other procedures.</p>
	<p>(iii) Key targets for the publication process</p> <p>During the publication process, the following points are important:</p> <ul style="list-style-type: none"> - All disclosure materials are communicated to investors and other stakeholders immediately and simultaneously - The company ensures that the disclosed materials are originals (e.g. that they were actually submitted by the company and are not tampered with) <p>(Note) The TDnet system is used for timely disclosure and is designed to meet the above requirements.</p> <p>In addition to those, the following two points should be considered in terms of investor usefulness:</p> <ul style="list-style-type: none"> g. Give consideration to fairness when releasing disclosure materials (fairness) h. Be proactive about releasing disclosure materials (proactiveness) <p>Details of key targets:</p> <p>The main targets mentioned above refer to: considering ways to release disclosure materials so that they do not benefit only some investors; providing clear and sufficient information so that investors can be provided with useful information at the time of release; responding positively to inquiries after release; and actively releasing information that is useful to investors, even if it is not required by the Securities Listing Regulations.</p>
<p>E. Relationship with other internal procedures closely related to timely disclosure procedures</p>	<p>There are internal procedures that are very closely related to disclosure procedures, such as IR and internal procedures to comply with insider trading regulations. These procedures are very important considering their respective purposes, and in practice, they are often performed by a common department in consideration of operational efficiency and other factors. On the other hand, it is necessary to note the difference in objectives between these procedures and disclosure procedures, clearly recognize them, and develop and operate a system to achieve all of the respective objectives to a certain level.</p>

(3) Monitoring of the organizational structure for timely disclosure

Considering the importance of monitoring the organizational structure for timely disclosure, the following information regarding the status of the monitoring system should be provided.

- Outline of the body conducting the monitoring
- Frequency and scope of implementation

Items for Consideration	Key Objectives
In order to ensure effectiveness of the organizational structure for timely disclosure after it is established, monitoring is inherently essential to confirm that the staff body in charge of disclosure and disclosure procedures are functioning properly. The following methods can be considered for the monitoring.	
A. Monitoring by an internal audit department	An internal audit department can be expected to monitor, independently of the target of the audit, whether the organizational structure for timely disclosure is effectively established and operated and whether its operations are being carried out in a lawful manner, and make suggestions for improvement when deficiencies are discovered.
B. Monitoring by company auditors (Audit and Supervisory Committee or Audit Committee)	It is particularly important that monitoring by company auditors (or an Audit and Supervisory Committee or an Audit Committee) be conducted from an independent standpoint not only from the target of the audit, but also from the business execution bodies including management. It is also important, from the perspective of auditing management's execution of operations, that disclosure information is routinely communicated to company auditors (or an Audit and Supervisory Committee or an Audit Committee) in addition to the monitoring of the organizational structure for timely disclosure.