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Brother Industries, Ltd.

Ichiro Sasaki, Representative Director & President
Contact: Finance & Accounting Dept.
Tel: +81-52-824-2071
Securities Code: 6448
http://www.brother.co.jp

The corporate governance of Brother Industries, Ltd. (hereafter referred to as the Company) is described below.

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

1. Basic Views

The Brother Group (hereafter referred to as the Group) has established the Brother Group Global Charter (hereafter referred to as the Global Charter) as the basis of all of its activities conducted worldwide, and sets enhancement of its corporate value over the long term by optimizing management resources and creating customer value, development of long-term trustful relationships with its shareholders by enhancement of corporate transparency through active provision of corporate information to shareholders, etc. as the fundamental ideas of the Group's corporate governance.

[Reasons for Non-Compliance with the Principles of the Corporate Governance Code]

The Company complies with all of the principles set forth in the Corporate Governance Code.

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

[Principle 1-4 Cross-Shareholdings]
The Company holds shares of other listed companies (hereafter referred to as cross-shareholdings) when building good business relationships with such companies is discernible to improving its corporate value over a mid- to long-term. In addition, the Board of Directors examines the economic rationale of its cross-shareholdings on a regular basis.
In general, the Company exercises its voting rights for its cross-shareholdings. The Company approves an agenda item so long as it does not harm the Company's mid- to long-term economic interests.

[Principle 1-7 Related Party Transactions]
In the case in which Directors are processing a transaction that could potentially create business competition against the Company or result in a conflict of interest for the Company, they must receive approval from the Board of Directors in accordance with the procedure stipulated by the internal rules.

[Principle 3-1 Full Disclosure]
(i) The Global Charter consists of the basic policies and code of practice concerning daily decision making and actions of the Company and the Group's Directors, Executive Officers, employees, etc., and sets forth their relationships with the stakeholders. The Global Charter can be found on the Group's official website (http://www.brother.com/en/corporate/principle/index.htm).
In addition, the Company's Mid-Term Business Strategy is disclosed on the Group's official website (http://www.brother.com/en/corporate/csb/index.htm).

(ii) The Company's basic views with respect to corporate governance are described in "I. 1. Basic Views."
The fundamental policy is described in "Brother Group Basic Policies on Corporate Governance" (http://www.brother.com/en/corporate/governance/policy/index.htm).

(iii) The Company believes that remunerations of Directors and Executive Officers must be appropriate, fair and balanced in a way that they contribute to further enhancement of the motivation of Directors and Executive Officers concerned to maximize the corporate value of the Company.
In addition to the basic remunerations provided to all Directors, the remunerations of Directors also consist of performance-based remunerations reflecting their responsibilities and achievements in the Group's year-on-year business performance. Stock options for a stock-linked compensation plan for Directors are also offered as an incentive for long-term improvement of corporate value. These are given as the remunerations provided to Directors who are not Outside Directors.
The remunerations of Executive Officers consist of basic remunerations, performance-based remunerations, and stock options for a stock-linked compensation plan for Executive Officers.

The remunerations of Directors must be calculated in accordance to the internal rules, discussed and reported by the Compensation Committee as an arbitrary advisory committee to the Board of Directors, and approved by the Board of Directors. The remuneration of Executive Officers must be calculated in accordance with the internal rules, discussed and reported by the Compensation Committee, and approved by the Board of Directors or President.
In the case in which the Compensation Committee reports on the amount of remunerations of Directors and Executive Officers, it must refer to the standards for remunerations, etc. of other, comparable companies and review the appropriateness of the remuneration amount.
The Company shall disclose the sum of remunerations paid to its Directors in an appropriate manner.

(iv) The Company's policy and procedures to appoint candidates for Directors and Corporate Auditors are as follows.
The Company believes that a Director must possess a superior personality, insight and an ability to execute their duties as Director appropriately. The Company also believes that an Outside Director must possesses considerable experience in corporate management and comply with the standards stipulated in Principle 4-9 below (hereafter referred to as the Independence Standards), in addition to meeting the above-mentioned qualifications. A candidate for Director is decided by the Board of Directors through the procedure taken by the Nomination Committee as an arbitrary advisory committee to the Board of Directors.
The Company believes that an Executive Officer must possess superior personality, insight, be acquainted with the business and operation of which they take charge of and must retain the ability to pursue their duties as Executive Officer properly. An Executive Officer is appointed by the Board of Directors through the procedure taken by the Nomination Committee.
The Nomination Committee must deliberate on the agenda items of the General Shareholder Meeting that concern the appointment of Directors and the agenda items of the Board of Directors concerning the appointment of Executive Officers in a fair, transparent and strict manner before the agenda items concerned are finalized, and report the outcome to the Board of Directors.

The Company believes that a Corporate Auditor must possess superior personality, insight and the ability to pursue their duties as a Corporate Auditor properly. The Company also believes that an Outside Auditor must comply with Independence Standards, in addition to meeting the above-mentioned qualifications. A candidate for Corporate Auditor is decided by the Board of Directors with approval from the Audit & Supervisory Board.

(v) The Company must disclose the reasons for its selection of candidates for Outside Directors and Outside Auditors in the notice of convocation at the general meeting of shareholders.
The Company disclosed the reasons for its selection of candidates for Outside Directors and Outside Auditors, as well as other Directors and Corporate Auditors in the notice of the 126th Ordinary General Shareholder Meeting held on June 26, 2018.

[Principle 4-1 The Roles and Responsibilities of the Board of Directors]
Supplementary Principle 4-1(1)
The Company has introduced an Executive Officer System, whereby executive operations by Executive Officers and supervision by the Board of Directors are separated in an effort to ensure swift decision-making and strengthen its corporate governance.
The Board of Directors holds a responsibility to deliberate and make decisions on important executive operations that are stipulated by laws, the Articles of Incorporation and internal rules, and oversees Directors and Executive Officers as to the execution of their duties.
The Board of Directors shall delegate items other than the ones that require a decision making on an executive operation by the Board of Directors, as defined above to representative Directors, Executive Directors or Executive Officers.

[Principle 4-8 Effective Use of Independent Outside Directors]
Five of eleven Directors are Outside Directors who satisfy the Company's Independence Standards as well as the independence standards stipulated by the financial instruments exchange on which the Company is listed (such as Tokyo Stock Exchange, Inc.).

[Principle 4-9 Independence Standards and Qualification for Independent Outside Directors]
The Company believes that an Outside Director must possesses considerable experience in corporate management and comply with the Company's Independence Standards. The Company's Independence Standards is described in "Matters relating to Independent Officers" under "II.1. [Independent Officers]" of this report.

[Principle 4-11 Conditions Precedent to Ensuring the Effectiveness of the Board of Directors and the Audit & Supervisory Board]
Supplementary Principle 4-11(1)
The Board of Directors must not exceed eleven members, as stipulated in the Articles of Incorporation, and include an adequate number of Outside Directors, needed to oversee important administrative decision-makings and implement executive operations with the Board of Directors. In addition, the Board of Directors shall consist of a diverse group of members with dissimilar backgrounds, knowledge and experience, whereby they can contribute to the global business operations of the Group.

Supplementary Principle 4-11(2)
The Company discloses the status as to holding of concurrent posts of Outside Directors and Outside Auditors (hereafter collectively refer to Outside Officers) annually in the notice of convocation at the general meeting of shareholders and the Company's Annual Securities Report.

Supplementary Principle 4-11(3)
Respective Directors and Corporate Auditors shall conduct evaluations of the Board of Directors' effectiveness, etc. annually and submit their findings to the Board of Directors. Based on the evaluations submitted, the Board of Directors shall analyze and evaluate the effectiveness of the entire Board of Directors, and disclose the summary of its results in a timely and appropriate manner.

1. Based on the evaluations of the previous year, the business workshop aimed to deepen the understanding of the outline, strategy, development/manufacturing system, etc. for each of our businesses was conducted among all Directors and Corporate Auditors for a total of six times between August 2017 and March 2018, as a measure to contribute to the enhancement of discussions of our management challenges and strategies.
   In addition, the overseas tour by Outside Directors was organized to deepen their understanding of overseas manufacturing and sales systems.
2. During March and April 2018, a questionnaire based study among all Directors and Corporate Auditors was conducted to evaluate the effectiveness of the Board of Directors.
   The result of the study was discussed at the Board of Directors held in May 2018, and it was confirmed that the Company's Board of Directors was functioning effectively.
   (Composition of the Board of Directors)
   The size of the Board of Directors was appropriate and diversity was upheld. In addition, the processes for nomination and appointment, including establishment of the Nomination Committee as an arbitrary advisory organization, were also appropriate.
   (Operations of the Board of Directors)
   With regard to the Board of Directors meetings, the materials, duration, frequency, agenda, atmosphere in which Outside Directors and Corporate Auditors can speak freely, and provision of information to Outside Directors, were appropriate. In particular, Outside Directors actively raised questions and express opinions, based on their respective experience and point of view.
   (Decision-making and supervision by the Board of Directors)
   Decision-making on the direction of management strategies as well as risk management were appropriately discussed and deliberated by the Board of Directors.
3. Constructive opinions such as the necessity to further enhance the discussions of medium- and long-term management challenges and strategies, as well as to deepen the discussion of risk management issues were obtained through the evaluation of the Board of Directors.
   Based on the opinions presented by the Directors and Corporate Auditors, the Board of Directors will make a further effort to enhance the effectiveness of the Board of Directors.

[Principle 4-14 Trainings for Directors and Corporate Auditors]
Supplementary Principle 4-14(2)
The Company believes that Directors and Corporate Auditors must collect information related to the Company's business plans, legal compliance, corporate governance and other issues actively, and continue to acquire knowledge and skills in order to fulfill their roles.
A newly appointed Outside Officer must be briefed on the Company's management strategies, business plans and other critical issues by the President, or someone appointed by the President.
The Company shall provide its Directors and Corporate Auditors with opportunities to attending training using the evaluation, etc. stipulated in Supplementary Principle 4-11(3) as reference (Outside Officers are also given opportunities to obtain knowledge about the Group's business plans).

[Principle 5-1 Policy for Constructive Discussions with Shareholders]
The basic policies concerning the establishment of organizational structures and measures aimed at promoting constructive discussions between the Company and its shareholders are as follows.

1. Basic Views
   By increasing the number of opportunities to provide shareholders and investors with information and conveying the latest information in a clearly understandable manner, strive to enhance corporate transparency and build long-term relationships of trust.
2. An Individual in Charge of Presiding over Discussions with Shareholders
   Assign an Executive Officer to be in charge of holding constructive discussions with shareholders and investors, and allow him/her to collaborate with the relevant in-house departments, supporting the convening of discussions on a daily basis.
3. The Ways to Hold Discussions and the System to Utilize Feedback
   a) In addition to organizing briefings, telephone conferences, etc. for analysts and institutional investors after the announcements of year-end and quarterly consolidated results, provide information via the Group's official website and various other documents such as shareholder newsletters.
   b) The Company shall strive to properly share opinions from shareholders obtained through the discussions with the Directors.
4. Management of Insider Information in Discussions with Shareholders
   In compliance with the internal rules concerning information management, establish a proactive system to prevent the divulging of insider information

2. Capital Structure

Foreign Shareholding Ratio	More than 30%

[Status of Major Shareholders] Updated

Name/Company name	Number of Shares Held	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	12,864,700	4.95
STATE STREET BANK AND TRUST COMPANY	12,708,868	4.89
Nippon Life Insurance Company	11,798,179	4.54
Japan Trustee Services Bank, Ltd. (Trust account)	10,659,100	4.10
Sumitomo Mitsui Banking Corporation	7,398,681	2.85
GOVERNMENT OF NORWAY	4,701,700	1.81
Japan Trustee Services Bank, Ltd. (Trust account No. 5)	4,666,800	1.79
Sumitomo Life Insurance Company	4,499,000	1.73
STATE STREET BANK WEST CLIENT － TREATY 505234	4,453,625	1.71
Brother Employees Shareholding Plan	4,137,829	1.59

Controlling Shareholder (excluding Parent Company)	—
Parent Company	None

Supplementary Explanation Updated

The status of major shareholders is as of March 31, 2018. The percentage of shares held was calculated based on the total number of shares outstanding excluding the number of treasury shares.

3. Corporate Attributes

Listed Stock Market and Market Section	First Section of the Tokyo Stock Exchange, First Section of the Nagoya Stock Exchange
Fiscal Year-End	March
Type of Business	Electric Equipment
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	From 100 billion yen to less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

4 Policies on Measures to Protect Minority Shareholders in Conducting Transactions with the Controlling Shareholder

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5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

The Company has one listed subsidiary, Nissei Corporation.
The Company respects the independence of Nissei Corporation, which makes its regular managerial decisions and executes business operations independently.
Nissei Corporation has submitted a notification to the Tokyo Stock Exchange that two Outside Directors and two Outside Auditors are qualified as Independent Officers.

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

1. Organizational Composition and Operation

Organization Form	Company with Corporate Auditors

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	11
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board Updated	Company Chairman (except when concurrently serving as President)
Number of Directors	11
Election of Outside Directors	Elected
Number of Outside Directors	5
Number of Independent Officers among Outside Directors	5

Outside Directors' Relationship with the Company (1) Updated

Name	Attribute	Relationship with the Company*									
		a	b	c	d	e	f	g	h	i	j	k
Atsushi Nishijo	From another company								△			
Shigehiko Hattori	From another company								△			
Koichi Fukaya	From another company								△			
Soichi Matsuno	From another company								△			
Keisuke Takeuchi	From another company											

*** Categories for "Relationship with the Company"**

*** "○" when the Director presently falls or has recently fallen under the category; "△" when the Director fell under the category in the past**

*** "●" when a close relative of the Director presently falls or has recently fallen under the category; "▲" when a close relative of the Director fell under the category in the past**

a. Executive of the Company or its subsidiaries
b. Executive or Non-Executive Director of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof
f. Consultant, accounting specialist or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as Director
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (only for Directors)
i. Executive of a company, between which and the Company Outside Officers are mutually appointed (only for Directors)
j. Executive of a company or organization that receives a donation from the Company (only for Directors)
k. Others

Outside Directors' Relationships with the Company (2) Updated

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons of Appointment
Atsushi Nishijo	○	The Company purchased software from and commissioned maintenance service to SCSK Corporation, in which Mr. Nishijo served as Representative Director and Chairman until June 2009. The total amount of such transactions for fiscal 2017 did not exceed 40 million yen and the transactions were conducted under the same general terms and conditions as with a third party. In addition, it has been more than eight years since Mr. Nishijo retired as an executive of SCSK Corporation and Mr. Nishijo has not been involved in the business execution of SCSK Corporation since his retirement.	Mr. Nishijo, who has held management roles in both Sumitomo Corporation and Sumisho Computer Systems Corporation (currently SCSK Corporation), is deemed able to carry out the duties of Outside Director of the Company and provide advice on the Group's business management, supervise its decision-making on significant matters and oversee its business execution from a perspective independent from the Company's management, based on his considerable experience, achievements and knowledge acquired as an executive of a global enterprise group and an IT company. In addition, as the relationship explained in the column to the left does not affect the independence of Mr. Nishijo, considering the nature of the organization and the amount and nature of the payment, the Company deems Mr. Nishijo as an Independent Officer who would have no possible conflict of interest with general shareholders.
Shigehiko Hattori	○	The Company paid training fees to Shimadzu Corporation, in which Mr. Hattori served as Representative Director and Chairman until June 2015. The total payment for this transaction in fiscal 2017 did not exceed 10,000 yen.	Mr. Hattori, who has held management positions as a president of Shimadzu Corporation as well as a manager of overseas sales bases of the said company, is deemed able to carry out the duties of Outside Director of the Company and provide advice on the Group's business management, supervise its decision-making on significant matters and oversee its business execution from a perspective independent from the Company's management, based on his considerable experience, achievements and knowledge acquired as an executive of a global enterprise group. In addition, as the relationship as explained in the column to the left does not affect the independence of Mr. Hattori, considering the amount and nature of the payment,, the Company deems Mr. Hattori as an Independent Officer who would have no possible conflict of interest with general shareholders.
Koichi Fukaya	○	Mr. Fukaya served as the Chairman of Tokai Japan-China Trade Center Association, Inc., an unincorporated association, until June 2016, of which the Company is a member and pays both membership fees and advertisement fees. The total payment for such fees in fiscal 2017 did not exceed 2 million yen. The Company is also a member of the Environmental Partnership Organizing Club (EPOC), of which Mr. Fukaya served as Chairman until March 2010. The Company's total payment for the EPOC membership fee in fiscal 2017 did not exceed 1 million yen.	Mr. Fukaya, who has held management positions as a president of Denso Corporation as well as a manager of overseas manufacturing bases of the said company, is deemed able to carry out the duties of Outside Director of the Company and provide advice on the Group's business management, supervise its decision-making on significant matters and oversee its business execution from a perspective independent from the Company's management, based on his considerable experience, achievements and knowledge acquired as an executive of a global enterprise group. In addition, as the relationship explained in the column to the left does not affect the independence of Mr. Fukaya, considering the nature of the organization and the amount and nature of the payment, the Company deems Mr. Fukaya as an Independent Officer who would have no possible conflict of interest with general shareholders.

Soichi Matsuno	○	Mr. Matsuno served as a member of an independent advisory committee, established based on a Policy toward Large-scale Purchases of Brother Shares, until June 2014. The Company has remunerated Mr. Matsuno for his services.	Mr. Matsuno, who has held management positions as a deputy president of Eisai Co., Ltd. as well as a manager of overseas bases of the said company, is deemed able to carry out the duties of Outside Director of the Company and provide advice on the Group's business management, supervise its decision-making on significant matters and oversee its business execution from a perspective independent from the Company's management, based on his considerable experience, achievements and knowledge acquired as an executive of a global enterprise group. In addition, as the relationship explained in the column to the left does not affect the independence of Mr. Matsuno, considering the nature of the committee and the amount of remuneration paid, the Company deems Mr. Matsuno as an Independent Officer who would have no possible conflict of interest with general shareholders.
Keisuke Takeuchi	○	―	Mr. Takeuchi, who has held management positions as Chairman and Representative Director of JGC Corporation, is deemed able to carry out the duties of Outside Director of the Company and provide advice on the Group's business management, supervise its decision-making on significant matters and oversee its business execution from a perspective independent from the Company's management, based on his considerable experience, achievements and knowledge as an executive of a global enterprise group.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Committee's Name, Composition and Attributes of Chairperson Updated

	Committee's Name	All Committee Members	Full-Time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Committee Corresponding to Nomination Committee	Nomination Committee	7	0	2	5	0	0	Outside Director
Committee Corresponding to Remuneration Committee	Compensation Committee	7	0	2	5	0	0	Outside Director

Supplementary Explanation Updated

The Company has established the Nomination Committee and Compensation Committee as arbitrary advisory committees to the Board of Directors, in order to enhance the independence and objectivity of the functions of the Board of Directors regarding the appointment and remuneration of Directors and Executive Officers. Each Committee consists of seven Directors (including five Outside Directors).
The Nomination Committee develops the standard for appointing Directors and Executive Officers, as well as selected candidates.
The Compensation Committee develops the policies and framework concerning the remuneration of Directors and Executive Officers. The Committee also reviews the level and individual amount of the compensation.

[Corporate Auditors]

Establishment of the Audit & Supervisory Board	Established
Maximum Number of Corporate Auditors Stipulated in Articles of Incorporation	5
Number of Corporate Auditors	5

Cooperation among Corporate Auditors, Accounting Auditors and Internal Auditing Departments

The Corporate Auditors receive reports from Deloitte Touche Tohmatsu LLC, the Company's Accounting Auditor, and the Company's Internal Auditing Department on a regular and timely basis. The Company cooperates with the Company's Accounting Auditor and Internal Auditing Department in conducting audits, through exchanging opinions and sharing information, as necessary.

Appointment of Outside Auditors	Appointed
Number of Outside Auditors	3
Number of Independent Officers among Outside Auditors	3

Outside Auditors' Relationship with the Company (1) Updated

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	l	m
Tomoyoshi Arita	Lawyer													
Koji Onogi	From another company										○			
Akira Yamada	Lawyer										○			

* Categories for "Relationship with the Company"

* "○" when the Corporate Auditor presently falls or has recently fallen under the category; "△" when the Corporate Auditor fell under the category in the past

* "●" when a close relative of the Corporate Auditor presently falls or has recently fallen under the category; "▲" when a close relative of the Corporate Auditor fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-Executive Director or accounting advisor of the Company or its subsidiaries
c. Executive or Non-Executive Director of a parent company of the Company
d. Corporate Auditor of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accounting specialist or legal professional who receives a large amount of monetary consideration or other property from the Company besides their compensation as Corporate Auditor
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (only for Corporate Auditor)
k. Executive of a company, between which and the Company Outside Officers are mutually appointed (only for Corporate Auditor)
l. Executive of a company or organization that receives a donation from the Company (only for Corporate Auditor)
m. Others

Outside Auditors' Relationship with the Company (2) Updated

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons of Appointment
Tomoyoshi Arita	○	—	Mr. Arita is deemed able to carry out the duties of Outside Auditor of the Company and audit the Company's business operations from a perspective independent from the Company's management, based on his considerable experience, achievements and knowledge as a lawyer. In addition, as Mr. Arita does not fall under any of the above categories (from a to m), the Company deems Mr. Arita as an Independent Officer who would have no possible conflict of interest with general shareholders
Koji Onogi	○	Mr. Onogi serves as the Representative Director & President of TOKAI Corp., to which the Company commissions its linen supply service. The total payment for transactions in fiscal 2017 did not exceed 100,000 yen.	Mr. Onogi, who has held a management position as the president of TOKAI Corp. for many years, is deemed able to carry out the duties of Outside Auditor of the Company and audit the Company's business operations from a perspective independent from the Company's management, based on his considerable experience, achievements and knowledge acquired as an executive of an enterprise group. In addition, as the relationship explained in the column to the left does not affect the independence of Mr.

			Onogi, considering the amount and nature of the payment, the Company deems Mr. Onogi as an Independent Officer who would have no possible conflict of interest with general shareholders.
Akira Yamada	○	Mr. Yamada served as a member of an independent advisory committee, established based on a Policy toward Large-scale Purchases of Brother Shares, until June 2018. The Company has remunerated Mr. Yamada for his services and the total payment in fiscal 2017 did not exceed 3 million yen.	Mr. Yamada, who has been involved in domestic and international corporate legal affairs as a lawyer for many years, is deemed able to carry out the duties of Outside Auditor of the Company and audit the Company's business operations from a perspective independent from the Company's management, based on his considerable experience, achievements and knowledge acquired as a lawyer. In addition, as the relationship explained in the column to the left does not affect the independence of Mr. Yamada, considering the amount and nature of the payment, the Company deems Mr. Yamada as an Independent Officer who would have no possible conflict of interest with general shareholders.

[Independent Officers]

Number of Independent Officers	8

Matters relating to Independent Officers

All Outside Directors who are qualified to be Independent Officers are designated as Independent Officers.

The Company's independence standards for Outside Officers are as follows.

<The Brother Industries, Ltd. Independence Standards for Outside Officers>

1. The Company determines that an individual who applies to one of the following does not hold independence from the Company.
   (1) An incumbent or past Director, Executive Officer, manager or employee (including Executive Officer) of the Company and its subsidiaries (hereafter collectively referred to as the Company, etc.).
   (2) An individual who is currently serving or has served within the past five years as a business executor (*1) of a corporation or any other organization (hereafter referred to as a corporation, etc.) that applies to one of the following:
   - A corporation, etc. which is the major shareholder (*2) of the Company
   - A corporation, etc. of which the Company, etc. is the major shareholder
   - A corporation, etc., which paid the Company, etc. an amount of money that is more than 2% of the consolidated net sales of the Company during the business year concerned
   - A corporation, etc. which received either 10 million yen of annual payment or a payment equal to 2% of the consolidated net sales of the said corporation, etc., whichever is larger, from the Company, etc. during the relevant business year
   - A corporation/organization, etc. which obtained more than 10 million yen of annual payment, or a payment more than 2% of the gross income or recurring revenue of the said corporation/organization, etc., whichever is larger, from the Company, etc. as a donation or grant during the relevant business year

   (3) An individual who currently serves or served within the past five years as a business executor of a company, at which an individual from the Company, etc. serves as its Director.
   (4) A certified public accountant who currently serves or served within the past five years as an Accounting Auditor of the Company, etc., or currently belongs or belonged within the past five years to an auditing firm, which serves as the Accounting Auditor of the Company, etc.
   (5) A consultant, accounting specialist, or a legal expert who currently receives or received within the past five years either a payment of more than 2% of the net sales of the business year or 10 million yen, whichever is higher, from the Company, etc. (excluding the remuneration of officers). (In the case of which the recipient of the said compensation is an organization, such as a corporation or guild, this applies to a consultant, accounting specialist or legal expert who belongs to the organization concerned.)
   (6) An individual who is currently a close relative (*3) or was a close relative within the past five years of the individuals mentioned in (1) through (5) above respectively (excluding individuals who are not considered as important individuals (*4)).
2. In selecting nominees for Outside Officers, the Nomination Committee and Board of Directors must confirm their independence.

*1: A business executor is a Director in charge of executing a business operations or an Executive Officer of a corporation or any other organization, an officer or employee in charge of executing a business operation of any other corporation, etc., those who fulfill the duty stipulated in the Article 598, Paragraph 1 of the Japanese Companies Act or any other individual that has a similar responsibility: employees, Directors (excluding Outside Directors), a manager who has a similar responsibility, or those who execute the tasks of employees, etc.

*2: Refers to a shareholder who holds more than 10% of voting rights.

*3: As to 1. (1) through 1. (3) above, an important individual means Director, Executive Officer, or an employee who is a department manager or at a higher position (including Executive Officer). As to 1. (4) above, it refers to certified public accountants belonging to respective auditing firms. As for 1. (5) above, it means Director, Executive Officer, an employee who is a department manager or at a higher position (including Executive Officer), certified public accountants belonging to respective auditing firms, or attorneys belonging to respective law firms.
*4: Refers to relatives within the second degree of kinship.

[Incentives]

Incentive Policies for Directors	Performance-based Remunerations/Stock Options

Supplementary Explanation

Performance-based remunerations to be provided to Directors, excluding Outside Directors, have been brought up for discussion at the General Shareholder Meetings, depending on the Group's business performance, since the 115th Ordinary General Shareholder Meeting held on June 22, 2007.

Stock options for the stock-linked compensation plan were adopted following its approval at the 114th Ordinary General Shareholder Meeting held on June 23, 2006. The annual amount of compensation is designated to be within 130 million yen (calculated based on the fair value of stock acquisition rights for accounting purposes at the point of authorization of each issue).

Recipients of Stock Options	Directors excluding Outside Directors/Employees

Supplementary Explanation Updated

Stock options for the stock-linked compensation plan were adopted to enhance their accountability for long-term improvement of business performance and corporate value. The Company believes that such incentives will be most useful when adopted for Directors (excluding Outside Directors and part-time Directors) and Executive Officers, whose operational results directly affect the Group's business performance.

[Directors' Remuneration]

Disclosure of Individual Directors' Remuneration	Not Disclosed Individually

Supplementary Explanation

The Company discloses total remuneration of Outside Directors, separately from total remuneration of all Directors, in its Annual Securities Report and Business Reports.

Policy on Determining Remuneration Amounts and Calculation Methods Updated	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The Company's policy is to establish an objective and transparent remuneration system based on the managerial responsibility clearly defined for Officers, and to pay the appropriate amount of remuneration, taking into consideration the level of remuneration at other companies as well as the level of compensation and employee benefits. In addition, in order to enhance independence and objectivity of the functions of the Board of Directors regarding remuneration of Directors, the Company has established a Compensation Committee as an arbitrary advisory committee to the Board of Directors.
The remunerations of Directors must be calculated in accordance with the rules on remuneration of Directors stipulated by the Company, discussed and reported by the Compensation Committee, and approved by the Board of Directors.
In addition to the basic remunerations provided to all Directors, the remunerations of Directors consist of performance-based remunerations, reflecting their responsibilities to achieve in the Group's year-on-year business performance, which are given as the remunerations provided to Directors (excluding Outside Directors and part-time Directors). Stock options for a stock-linked compensation plan for Directors are also offered to match the measures for long-term improvement of corporate value with the Company's stock price.
While the respective amount of remuneration is determined by multiplying the fixed base amount by the predefined factor for each position. For performance-based remunerations, addition or reduction based on the Group's year-on-year business performance is also accounted for in the calculation, in accordance with the evaluation method stipulated in the said rules.
The remunerations of Corporate Auditors must be determined by calculating the basic remuneration in accordance with the rules on remuneration of Corporate Auditors stipulated by the Company, and approved by the Audit & Supervisory Board.
The annual limit of the basic remuneration of Directors and Corporate Auditors, the stock options for a stock-linked compensation plan for Directors and the amount to be paid for Directors' performance-based remunerations were approved at the General Shareholder Meeting.

[Supporting System for Outside Directors and/or Outside Auditors]

Supporting System for Outside Directors: Dedicated secretaries are available and the required materials and information can be provided at any time.

Supporting System for Outside Auditors: Dedicated staff is available and the required materials and information can be provided at any time.

[Status of persons retired from Representative Director and President, etc.]

Names, etc., of advisors ("sodanyaku," "komon," etc.) who have formerly served as Representative Director and President, etc. Updated

Name	Title/Position	Activity Description	Working Arrangement/ Conditions (Full-time / Part-time, Compensation	Date of Retirement from President, etc.	Term
Yoshihiro Yasui	*Sodanyaku*	External activities such as industry associations and CSR activities, and provision of advice in response to consultation requests from management.	Working Arrangement: Part-Time Compensation: Yes	June 23, 2009	Annual

Total number of advisors ("sodanyaku," "komon," etc.) who have formerly served as Representative Director and President, etc. Updated	1 person

Other Updated
Not applicable

2. Matters on Functions of Business Execution, Auditing and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

1. Business Execution
The Company believes that the objective and neutral management supervisory function from an external point of view is crucial to corporate governance. The Board of Directors, which consists of eleven members (including five Outside Directors), decides on important management matters and supervises executive operations at monthly Board of Directors meetings and extraordinary Board of Directors meetings held as necessary.

In addition, the Company has introduced an Executive Officer System, whereby executive operations and supervision are separated in an effort to ensure swift decision-making and to strengthen corporate governance. Executive Officers are appointed by the Board of Directors and are responsible for executive operations of business, departments and group subsidiaries, of which the Executive Officer oversees or is in charge.

Strategy meetings, which mainly consist of Executive Officers who have titles, are also held semimonthly and as necessary. These meetings, with the President as a Chairman, develop the strategies concerning the operations covered by the Group as a whole and executive operations are deliberated upon.

2. Auditing and Supervision
The Audit & Supervisory Board consists of five Corporate Auditors (including three Outside Auditors). In accordance with the auditing standards defined by the Audit & Supervisory Board, Corporate Auditors audit the performance of duties by Directors by attending and providing advice at various important meetings including the Board of Directors meetings, by exchanging information with the Internal Auditing Department, and by having three auditing staff* investigate the operations and status of property.

The Company established the Internal Auditing Department and appointed 12 staff* to examine the status of measures to manage risk and report to the Representative Director & President and the Corporate Auditors.

The Company has entered into an audit contract with Deloitte Touche Tohmatsu LLC being its Accounting Auditor, and established the environment in which the Accounting Auditor would be able to receive accurate management information and conduct the audit from a fair and unbiased perspective. The Accounting Auditor conducts the audit by exchanging opinions through regular meetings with, and in coordination with the Corporate Auditors. The certified public accountants who conducted the audit of the Company are Motoyuki Suzuki, Tatsuharu Ito and Hirohito Kitaoka. In addition to the above, the auditing team includes 18 other certified public accountants* and 12 other staff*.
*The number of persons as of June 27, 2018

3. Details of Limited Liability Contract
In accordance with Article 427, Paragraph 1 of the Japanese Companies Act as well as the Articles of Incorporation, the Company has entered into contracts with each Outside Director and Outside Auditor, to limit their liabilities for damages with respect to the acts mentioned in Article 423, Paragraph 1 of the same Act. These contracts limit the amount of liabilities for damages to the amount set

forth by laws and regulations. However, the aforementioned liability limitation shall be applied only in cases where such Outside Director or Outside Auditor performed their duties in good faith and without gross negligence.

3. Reasons for Adoption of Current Corporate Governance System

The Company believes that supervision by more than one Independent Director is appropriate as a framework to strengthen management supervisory function, in addition to the audit by the Corporate Auditors. Therefore, there are currently five Outside Directors among eleven Directors.

III Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The notice of convocation of the 126th Ordinary General Shareholder Meeting held on June 26, 2018 was mailed on June 4, 2018. In addition, ahead of mailing the notice of convocation, the contents of the notice of convocation was posted on the Company's website on May 23, 2018.
Scheduling General Shareholder Meeting to Avoid the Peak Day	The Ordinary General Shareholder Meeting was scheduled and held on June 26, 2018, in order to avoid the peak date for the convenience of shareholders.
Allowing Electronic Exercise of Voting Rights	Shareholders may exercise voting rights through the website (via PC, smartphones or cellphones).
Participation in Electronic Voting Platform and Other Measures to Enable Institutional Investors to Vote with Greater Convenience	The Company has been participating in an electronic voting platform for institutional investors operated by ICJ, Inc.
Providing Notice of Convocation (Summary) in English	The notice of convocation is available in English on the Company's website for overseas investors, ICJ platform as well as the websites of the Tokyo Stock Exchange and the Nagoya Stock Exchange.
Other	The Company posts electronic data of the notice of convocation on its website, and also visualizes the business reports at the General Shareholder Meetings and posts videos of the General Shareholder Meeting on its website. Shareholders will be given an opportunity to interact with the Company's Directors and staff and experience our products after the conclusion of the Ordinary General Shareholder Meeting. This is intended to help shareholders better understand the Group's operations and initiatives. The Company has been using a full color format since the notice of convocation of the 125th Ordinary General Shareholder Meeting, highlighting the face photographs of the candidates for Directors as well as product photos and graphs.

2. IR Activities Updated

	Supplementary Explanations	Presentation by President
Development and Announcement of Disclosure Policy	The Company's disclosure policy in Japanese and English is available for investors on its website.	
Regular Investor Briefings for Individual Investors	The Company held five investor briefings during fiscal 2017.	No
Regular Investor Briefings for Analysts and Institutional Investors	After the annual and interim results announcements, the Company holds investor briefings for analysts and institutional investors and provides explanations directly from Representative Director & President. The Company also holds investor briefings for analysts and institutional investors over the telephone after the first and third quarter results announcements.	Yes
Posting of IR Materials on Website	Investor information such as quarterly financial information, timely disclosure material and information on the General Shareholders Meeting is available in Japanese and English in the IR section of our website.	

Establishment of Department and/or Manager in Charge of IR	Department in charge of IR: Finance & Accounting Dept. Contact person in charge: Toshihiro Ito, Executive Officer responsible for Finance & Accounting Dept.

3. Measures to Ensure Due Respect for Shareholders Updated

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The corporate behavior charter, Brother Group Global Charter, sets forth the Company's basic policies on their relationship with stakeholders (customers, employees, business partners, shareholders, local communities and the environment).
Implementation of Environmental Activities, CSR Activities, etc.	In April 2006, the Company formed a new CSR Promotion Department (currently CSR & Corporate Communication Department) for the purpose of "promotion and establishment of CSR management." CSR Reports (in Japanese, English and Chinese) are available on the Company's website.
Development of Policies on Information Provision to Stakeholders	The Company's policy is to timely provide information to stakeholders by preparing shareholder newsletters, distributing e-mails on IR information and posting corporate information (in seven languages) on its website.
Other	[Promotion of Health and Productivity Management] The Brother Group aims to create superior value through the manufacturing and delivery of products and services to customers around the world. With this purpose in mind, all employees in the group play everyday an active role on the global stage. As stipulated in the Brother Group Global Charter, the Group places importance on every employee's health management so that they can strive to achieve their goals, and ultimately, contribute to our success. In September 2016, the Company established the Brother Group Health & Productivity Management Philosophy (hereafter referred to as the "Health & Productivity Management Philosophy"). Under the Chief Health Officer (CHO), the Group will strategically undertake various activities based on the Health & Productivity Management Philosophy. In February 2018, following last year, the Company was again selected as a "Certified Health and Productivity Management Organization" under the Health & Productivity Outstanding Entities Recognition Program, which was designed by the Ministry of Economy, Trade and Industry and has been managed by the Nippon Kenko Kaigi. The Brother Group will be committed to maintaining and enhancing the physical and mental health of its employees.

IV Matters relating to the Internal Control System

1. Basic Views on Internal Control System and the Status of Establishment

Based on the corporate behavior charter, Brother Group Global Charter, and the Group's ideas for CSR management, the Company has established the following basic policies to ensure the appropriateness of the Group's operations, in order to continually enhance its corporate value and to establish the foundation of a corporate group that is held in high esteem by all stakeholders. These basic policies shall be revised according to the changes in the business environment and constantly reviewed for continuous improvement, for the purpose of establishing a more appropriate and efficient system.

1. Compliance System

(1) With respect to the compliance with laws by officers and employees, the Company established the corporate behavior charter and the Brother Group Principles of Social Responsibility. In addition, the Company established a system to ensure the duties performed by Directors and employees to comply and be consistent with laws and regulations and the Articles of Incorporation, through setting forth the rules on the Board of Directors and other internal rules.

(2) The Company formed a Compliance Committee, chaired by the Representative Director & President (or an Executive Officer nominated by the President), and appointed a person in charge of compliance, who supervises the compliance activities (education programs and activities, operation of an Employee Hotline for Compliance Issues) of the Group.

(3) The Company provides compliance joint trainings for officers and employees at group companies, in order to further raise their awareness about compliance.

(4) The Compliance Committee operates an Employee Hotline for Compliance Issues, which receives calls for consultation from officers and employees at group companies and takes action according to the degree of importance and urgency. In addition, when a compliance risk that would have material impact on the Group's business operations arises or is expected to arise, the Compliance Committee discusses and determines the policy for the actions to be taken and quickly executes these actions.

(5) The basic policies on elimination of anti-social groups or organizations are provided in the compliance code of conduct, and a system is in place to confront unjustified demands in a resolute manner with help from external experts.

(6) The Company has designated Legal Departments and persons in charge of legal affairs at major group subsidiaries, in addition to the applicable departments at its head office, and also conducts education programs and activities on compliance as necessary for Directors and employees, etc.

2. System for the Storage and Management of Information on the Execution of Duties by Directors

Information on the execution of duties by Directors is stored in the form of documents, etc. (including electronic data), and the Information Management Committee appropriately stores and manages such documents, etc. in accordance with internal rules. In addition, such documents, etc. may be examined or copied by the Corporate Auditors or Internal Auditing Department upon request.

3. Risk Management System

(1) The Risk Management Committee is headed by the Representative Director & President and was formed to establish a comprehensive risk management system for the Group. In addition, the status of its implementation is reported to the Board of Directors on a regular basis

(2) The Company has built a system to evaluate and respond to business risks by each department and by each person in charge of risk management at the group subsidiaries. In addition, the Risk Management Committee evaluates and manages the status of measures against major risks related to the whole Group.

(3) Under the Risk Management Committee, the Company has established subcommittees for individual risks such as compliance, product safety, export management, information management, the environment, as well as safety, health, and disaster prevention. In the Company's risk management system, the subcommittees, for which the Representative Director & President (or an Executive Officer nominated by the President) is responsible in responding to, identifying and mitigating the risk, and also for taking measures when the risk event occurs.

In particular, with regard to product safety, the Company has established the Basic Product Safety Policies and Voluntary Action Plans on Product Safety in order to deliver safer products to customers.

(4) The Company has built a crisis-management system to be able to respond flexibly under the instruction of the chairman of the Risk Management Committee, in the event of an unforeseen situation that would have a material effect on the Company's operations.

(5) Under the instruction of the Representative Director & President, the Internal Auditing Department verifies the status of measures against risks at each of the Company's departments and group subsidiaries, and reports the results to the Representative Director & President and the Corporate Auditors.

4. System to Ensure the Efficient Execution of Duties by Directors

(1) The Company has established the Executive Officer System, whereby executive operations and supervision are separated in an effort to strengthen governance. The Company also has adopted a department system to ensure swift decision-making and executive operations.

(2) The Board of Directors decides on important management matters and supervises executive operations at monthly Board of Directors meetings and extraordinary Board of Directors meetings held as necessary. Strategy meetings, which mainly consist of Executive Officers with titles, are also held semimonthly and as necessary. Strategy meetings develop the business strategies and budgets of the Group, and flexibly deliberate important executive operations.

(3) The Company ensures the efficient execution of duties by Directors, by setting forth the rules on the Board of Directors and other internal rules and by making clear the delegation of authority and scope of duties.

(4) By setting forth the internal rules and the group regulations, the Company ensures the efficient execution of duties by Directors of the group subsidiaries by defining the matters to be submitted for prior approval and to be reported by group subsidiaries.

5. Group Governance System

(1) The Company has set forth the corporate behavior charter, the group regulations and the internal rules to ensure a uniform group governance system, and put in place a system that the administrative department can use to keep track of the status of important operations executed by the respective group subsidiaries.

(2) In order to ensure the reliability of financial reporting of consolidated financial statements, the Company promotes the establishment of frameworks and operations at the Group level. The Company also continues to maintain and improve such frameworks and operations on an annual basis.

(3) The Company manages and oversees group subsidiaries through assigning the Company's officers, Executive Officers and employees, etc. as the officers of major group subsidiaries.

(4) The Company has built a system where the Corporate Auditors and Internal Auditing Department conduct regular audits of group subsidiaries.

(5) In order to establish a governance system at group subsidiaries, the Company requires them to establish an organization and to set forth the internal rules.

6. Matters relating to Employees who Support the Duties of the Audit & Supervisory Board

The Company designated the Corporate Auditors' Office and several employees under direct control of the Corporate Auditors to, upon request, support the duties of the Audit & Supervisory Board.

7. Matters relating to Employees' Independence from Directors Mentioned in the Preceding Provision and Matters relating to the Effectiveness of Instructions to Employees Mentioned in the Preceding Provision

Any decision on the Corporate Auditors' Office's personnel affairs requires prior consent of the Corporate Auditors, and the assessment of such employees by the Corporate Auditors.

8. Systems to Ensure Reporting to the Corporate Auditors and to Ensure that Reporting Persons are not Subject to Unfair Treatment because of Such Reporting

The Company shall timely report to the Corporate Auditors on wrongful acts, violation of laws or the Articles of Incorporation and the facts indicating such acts of the Directors and employees, etc., as well as other matters that the Audit & Supervisory Board considers that it should receive a report for in order to fulfill its duties. In addition, the Company ensures that the reporting persons are not subject to unfair treatment because of such reporting.

9. Matters relating to Expenses Arising from the Execution of Duties by the Corporate Auditors

Expenses are paid in advance or reimbursed by the Company as appropriate, according to the budget plan for expenses necessary to undertake the auditing activities developed by the Corporate Auditors. When an expense exceeding the amount in the budget plan is required, the appropriate amount will be added upon request from the Corporate Auditors to Representative Director & President or the Board of Directors.

10. Other Systems to Ensure Effective Auditing by the Corporate Auditors

(1) Standing Corporate Auditors attend strategy meetings as well as other important meetings and committees.

(2) The Corporate Auditors exchange opinions with the Representative Director & President, Internal Auditing Department and the Accounting Auditor on a regular basis. They also hold communication meetings and timely exchange information with the Corporate Auditors of the group subsidiaries on a regular basis.

2. Basic Views on Elimination of Anti-social Forces and Status of Establishment

<Basic Views on Elimination of Anti-social Forces>

The Company's compliance code of conduct contains a provision on the "prohibition of involvement in anti-social acts," which stipulates that "The Company will resolutely reject and avoid any dealings with any anti-social forces and organizations that threaten the order and safety of a civil society."

<Status of Establishment for Elimination of Anti-social Forces>

The Company has designated the Law, Environment Department and General Affairs Department responsible for ensuring the appropriate handling of anti-social forces. The Company collects information from the applicable administrative agencies on an ongoing basis, prepares the response manual and shares it with the persons concerned. In addition, the Company appropriately provides information to the internal persons concerned and educates its officers and employees. In the event of any possible dealing with anti-social forces, the Company closely communicates with the applicable administrative agencies and legal experts to quickly take measures.

V Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures Updated	None

Supplementary Explanation Updated

Not applicable.

2. Other Matters relating to Corporate Governance System

The Company receives advice from Japanese or international law firms as necessary, in order to prevent or resolve problems.

To improve the Group's risk management system, the Risk Management Committee, headed by the Representative Director & President, was formed as an independent executive management organization within the Company, whereby crucial risks for the whole Group are identified and assessed, and proper actions for those risks are formulated. The Committee promotes the improvement of internal controls and risk management structures.
The Risk Management Committee manages the following risk subcommittees to control critical risks of the group in a comprehensive and systematic fashion, overseeing their activities and response to their respective risks.

- Compliance Committee
The Compliance Committee makes the workforce aware of the importance of complying with laws and business ethics through education programs and activities. The Committee also prevents violations through the establishment and operation of an Employee Hotline for Compliance Issues.

- Committee of Security Trade Control
The Committee of Security Trade Control ensures proper management of export transactions and technological support based on laws and regulations concerning export management. The Committee of Security Trade Control is also working to maintain and improve management standards by staging meetings to discuss important matters every time laws are amended, implementing semi-annual internal audits, and offering guidance and education to group companies.

- Product Liability Committee
The Product Liability Committee makes efforts to ensure product safety and appropriate measures for product incidents. The Committee meeting is also held as necessary to ensure the provision of information on product safety measures.

- Information Management Committee
To cope with risks associated with information leaks, the Information Management Committee determines a suitable policy for managing information on customers and other aspects of the business retained by the Company, and deploys it throughout the Group.

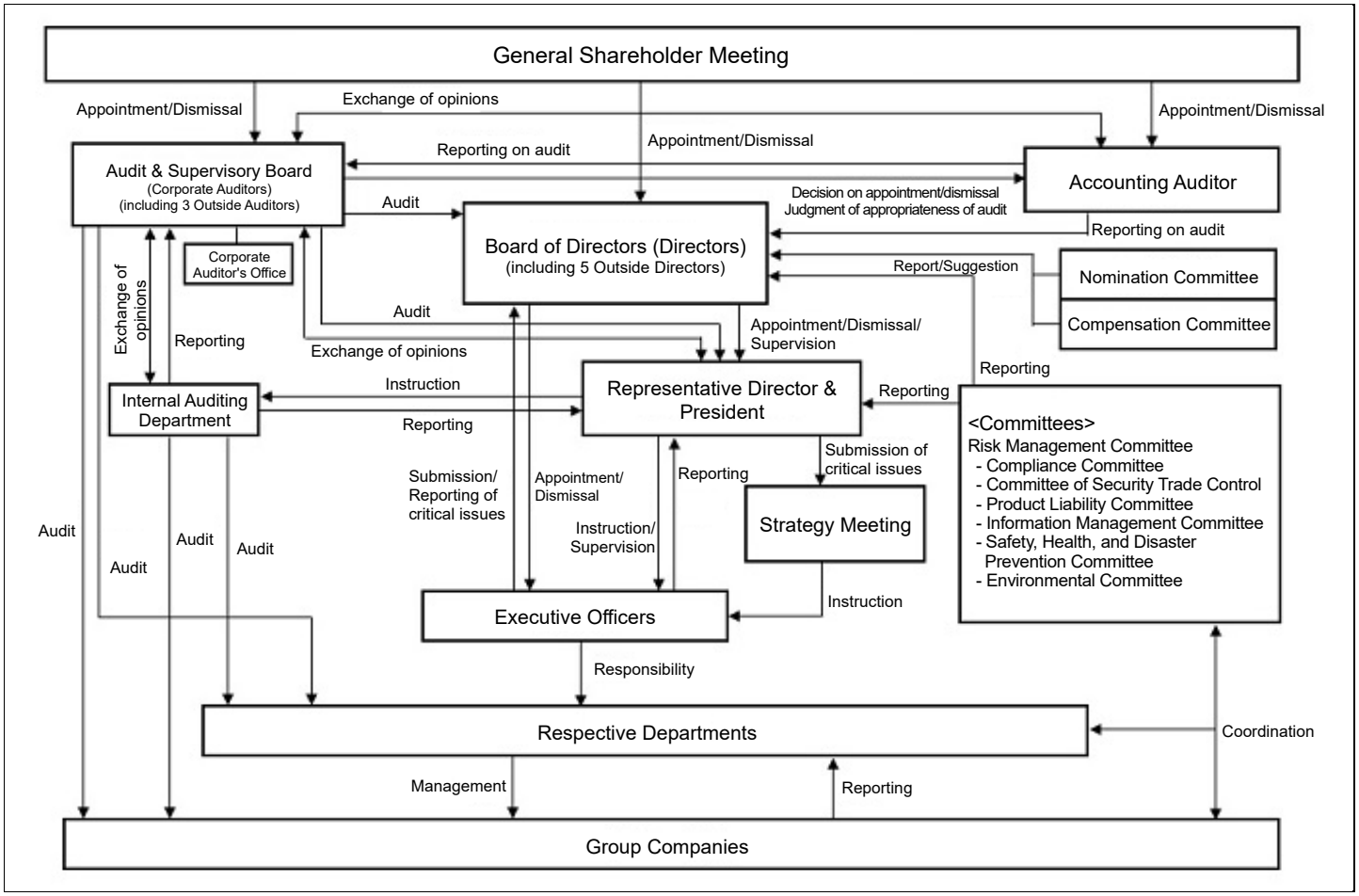
- Safety, Health, and Disaster Prevention Committee
The Safety, Health, and Disaster Prevention Committee discusses annual plans, devises and implements measures, and conducts awareness activities for the purpose of ensuring employee safety and health, preventing disasters, and minimizing the damage from such disasters.

- Environmental Committee
The Environmental Committee discusses and determines measures for environmental issues that must be dealt with by the whole Group.

<Overview of System for Timely Disclosure>
1. The Company's System for Information Disclosure
Based on the internal rules, disclosed information (insider information and information for timely disclosure) of the Company and its subsidiaries are promptly disclosed through the department in charge of information disclosure under the instruction of a person in charge of managing the information, following the decisions on important matters by the decision-making organization or person.

2. Ensuring the Appropriateness of the System for Information Disclosure
Based on the internal rules, disclosed information shall be communicated to the decision-making organization or person. If any question arises in judging whether the information should be disclosed, a department in charge of making this decision consults with appropriate departments and makes judges whether the information should be disclosed.

3. Enhancement of the System for Information Disclosure
Whenever the applicable laws and regulations related to disclosed information are revised, the Company shall revise its internal rules, review its internal system and inform the parties and persons concerned.


General Shareholder Meeting
Appointment/Dismissal
Exchange of opinions
Appointment/Dismissal
Reporting on audit
Appointment/Dismissal
Audit & Supervisory Board
(Corporate Auditors)
(including 3 Outside Auditors)
Accounting Auditor
Audit
Decision on appointment/dismissal
Judgment of appropriateness of audit
Reporting on audit
Board of Directors (Directors)
(including 5 Outside Directors)
Corporate Auditor's Office
Report/Suggestion
Nomination Committee
Compensation Committee
Exchange of opinions
Reporting
Audit
Exchange of opinions
Appointment/Dismissal/
Supervision
Reporting
Instruction
Representative Director &
President
Reporting
Internal Auditing
Department
Reporting
<Committees>
Risk Management Committee
- Compliance Committee
- Committee of Security Trade Control
- Product Liability Committee
- Information Management Committee
- Safety, Health, and Disaster
Prevention Committee
- Environmental Committee
Submission of
critical issues
Submission/
Reporting of
critical issues
Appointment/
Dismissal
Reporting
Audit
Audit
Audit
Audit
Instruction/
Supervision
Strategy Meeting
Instruction
Executive Officers
Responsibility
Respective Departments
Coordination
Management
Reporting
Group Companies