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Corporate Governance Report

Last Update: March 26, 2021
Asahi Kasei Corporation
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https://www.asahi-kasei.com

The corporate governance of Asahi Kasei Corporation (the "Company") is described below.

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

1. Basic Views

The Group Vision of the Company is to provide new value to society and solve social issues by enabling "living in health and comfort" and "harmony with the natural environment" under the Group Mission of "contributing to life and living for people around the world." With this as a base, the Company aims to contribute to society, achieve sustainable growth, and enhance corporate value over the medium to long term by promoting innovation and creating synergy through integration of various businesses. The Company continues to pursue optimal corporate governance as a framework to make transparent, fair, timely, and decisive decision-making in accordance with changes in the business environment.

[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]

[Principle 1-4] (Strategic Holdings and Standards for Exercise of Voting Rights Thereof)
The Company has established the following policy for holding of shares (strategic holdings) for any purpose other than pure investment and for the exercise of voting rights thereof.

1. In order to achieve sustainable growth and enhance corporate value over the medium to long term, the Company holds shares the Company considers necessary as part of management strategies including business alliance, financing, and maintenance/enhancement of business relationships.
2. For each individual strategic holding, the Board of Directors assesses the purpose and reasonableness of such holdings regularly on an annual basis from the perspective of achieving sustainable growth and improving medium to long term corporate value. For the assessment of reasonableness, a comprehensive judgment is made with reference to the cost of capital, etc.
   In the case of a holding judged to no longer be reasonable based on such assessment, the Company acts to reduce the holding in consideration of the condition of the company whose shares are held.
3. Voting rights for strategic holdings are exercised in consideration of the sustainable growth of as well as the medium to long term corporate value of both the Company and the investees.

[Principle 1-7] (Framework for Procedures for Related Party Transactions)

The Company, in accordance with the Companies Act as well as the Regulations for the Board of Directors of the Company, stipulates that conflict-of-interest transactions between the Company and its Directors require the approval of the Board of Directors, and that the status of such transactions shall be reported to the Board of Directors. The Company also checks on a regular basis whether there is any transaction between the Company/the Group and its Directors or a corporation its Directors effectively control, and details of such transaction (if any).

Should the Company have any transaction with a main shareholder, the Company maintains procedures to prevent any detriment to the Company, given the importance and nature of such a transaction.

[Principle 2-6] (Roles of Corporate Pension Funds as Asset Owners)
In order to increase the investment management expertise of the Company's corporate pension funds, ensuring that corporate pension funds perform their roles as asset owners, personnel from finance with specialist ability and knowledge on asset management are assigned as trustees of management execution and as fund managers, while management is performed utilizing advice from external pension fund consultants. Basic policies and guidelines for asset management of corporate pension funds are established and issued to institutions entrusted with management, and monitoring of the condition of management is performed by an Asset Management Committee.

[Principle 3-1] (Information Disclosure)
(1) Company Policy and Management Policy
Please see the company policy and the management policy on the website.
(Company Policy)
https://www.asahi-kasei.com/company/vision/
(Management Policy)
https://www.asahi-kasei.com/ir/library/initiative/

(2) Basic Views and Policy on Corporate Governance
The basic views of the company are explained in "1.1. Basic Views" of this Report.
(Basic Policy)
1. Securing the Rights and Equal Treatment of Shareholders
While taking proper measures to secure shareholders' rights, the Company develops a proper environment for exercise of shareholders' rights including paying attention to foreign shareholders and minority shareholders and providing information necessary for the exercise of rights accurately and in a timely manner.
2. Proper Cooperation with Stakeholders other than Shareholders
The Group Vision of the Company is to provide new value to society and solve social issues by enabling "living in health and comfort" and "harmony with the natural environment" for people around the world, and the Company works to facilitate cooperation with its stakeholders.
3. Proper Information Disclosure and Securing of Transparency
The Company, in addition to disclosure required by laws and regulations, actively provides information to various stakeholders including financial information such as financial position and operating results, management strategy/issues, and non-financial information concerning risks and governance, etc.
4. Responsibilities of the Board of Directors
In order to achieve sustainable growth, enhance medium to long term corporate value, and increase earnings ability and capital efficiency, the Board of Directors of the Company presents the overall direction of its management strategy, develops an environment to support risk-taking by the management, and effectively oversees the business management of the Company from an independent and objective standpoint, based on the fiduciary responsibility and accountability to shareholders.
5. Dialog with Shareholders

The Company develops a system to have a constructive dialog with shareholders/investors and actively promotes such dialog.

(3) Policy to Determine Directors' Remuneration
It is noted in "[Director Remuneration] Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" of this Report.

(4) Policy and Procedures to Appoint/Dismiss Members of Senior Management and to Nominate Candidates for Directors and Corporate Auditors
In order to further improve the objectivity and transparency of procedures for the appointment and dismissal of members of senior management and for the appointment of candidates for Directors and Corporate Auditors, the Company has established a Nomination Advisory Committee which consists primarily of Outside Directors to provide advice. In addition to examining the makeup and size of the Board of Directors and policies for nomination of Directors/Corporate Auditors, the Nomination Advisory Committee provides advice to the Board of Directors based on appropriate examination of the state of execution of duties of Directors in office considering the assessment of the Remuneration Advisory Committee.

In selecting candidates for Directors, the Company chooses persons with deep insight and excellent skills suitable for Directors. For inside Directors, the Company chooses those with expertise, experience and skills in the required field as candidates. Meanwhile, for Outside Directors, the Company chooses as candidates corporate executives, academic experts, and former civil servants with abundant experience, expecting objective oversight of management based on their deep insight.

In selecting candidates for Corporate Auditor, the Company chooses persons with insight and skills suited for Corporate Auditor, and appointment requires the approval of the Board of Corporate Auditors. In addition, the Company makes sure that at least one Corporate Auditor is familiar with finance and accounting.

(5) Explanation for Nomination of Candidates for Directors and Corporate Auditors
The Company will post reasons for selection of all candidates for Directors/Corporate Auditors in the Notice of general shareholders meeting.
(Notice of general shareholders meeting)
https://www.asahi-kasei.com/ir/stock_information/meeting/index.html

[Supplementary Principle 4-1-1] (Overview of Extent of Delegation to Management)
The Company has established detailed standards for decision-making in the Decision-making and Approval Authority Regulations of the Group with regard to matters concerning the management plan, investments and loans, financing and fund management, the organization and rules, research and development, and production technology, and delegates authority to the Management Council and core operating companies. At the same time, it establishes matters to be resolved by the Board of Directors as required by laws and regulations as well as matters concerning the Company and the Group based on the importance and nature thereof in matters to be resolved by the Board of Directors.

[Principle 4-9] (Independence Standards and Qualification for Outside Directors/Corporate Auditors)
In determining that Outside Directors and Outside Corporate Auditors are independent, the Company ensures that they do not correspond to any of the following and that they are capable of performing their duties from a fair and neutral standpoint.

1. A person who currently executes or has executed businesses of the Group (Executive Directors, Executive Officers, employees, etc.) over the last 10 years
2. A company or a person who executes the businesses thereof whose major business partner is the Group (an entity with more than 2% of its annual consolidated net sales coming from the Group)

3. A major business partner of the Group (when payments by this partner to the Group account for more than 2% of the Company's annual consolidated net sales or when the Company borrows money from such partner amounting to more than 2% of the Company's consolidated total assets) or a person who executes the businesses thereof
4. A person who receives a large amount of money or other financial gain (¥10 million or more in one year) from the Group as an individual other than remuneration for being a Director/Corporate Auditor of the Company
5. A company which receives a large amount of donations or aid (¥10 million or more in one year) from the Group or a person who executes the businesses thereof
6. A main shareholder of the Group (a person/company who directly or indirectly owns 10% or more of all voting rights of the Company) or a person who executes the businesses thereof
7. A person who executes the businesses of a company which elects Directors/Corporate Auditors/employees of the Group as Directors/Corporate Auditors
8. An Independent Auditor of the Group or any staff thereof
9. A person who has fallen into any of the categories 2 through 8 above over the last three years
10. A person who is a close relative (spouse, relative within the second degree of kinship, or those with whom they share living expenses) of a person who falls under any of the categories 1 through 8 above, provided that "a person who executes businesses thereof" in 1, 2, 3, 5, 6, and 7 above shall be replaced with "an important person who executes the businesses thereof (Executive Directors and Executive Officer, etc.)"

[Supplementary Principle 4-11-1] (Views on Diversity and Size of Board of Directors)
In order to achieve sustainable growth and improve medium to long term corporate value, the Company considers the makeup of the Board of Directors, paying attention to the diversity of knowledge, experience, and abilities, given each Director's experience, expertise, and qualities, etc., suited to oversee and monitor execution of operations of the Group which runs a wide variety of businesses. In addition, the Articles of Incorporation stipulate that the number of Directors shall be 12 or less so that the Board of Directors can have active and substantive discussions.

The Company has established a Nomination Advisory Committee which consists primarily of outside Directors to participate in discussions about the optimal makeup and size of the Board of Directors and to provide advice to the Company.

[Supplementary Principle 4-11-2] (Disclosure of Concurrent Positions of Directors and Corporate Auditors)
In principle, rules stipulate that Directors of the Company cannot concurrently serve as Directors of four or more listed companies other than the Company. The status of concurrent positions Directors/Corporate Auditors held at other listed companies is shown in the notice of the 129th general shareholders meeting posted on the Company's website.
(Notice of general shareholders meeting)
https://www.asahi-kasei.com/ir/stock_information/meeting/index.html

[Supplementary Principle 4-11-3] (Analysis and Evaluation of Effectiveness of Board of The Company's Board of Directors will review its effectiveness at the end of each fiscal year, and disclose its evaluation.

1. Measures implemented in FY2019
The Board of Directors implemented the following measures based on the evaluation of the previous fiscal year.
1) Enhanced provision of information to Outside Directors and Outside Corporate Auditors
As part of our efforts to expand the provision of information to Outside Directors and Outside Corporate Auditors, we continuously arrange visits to our manufacturing and R&D sites. We also arrange regular briefings by people responsible for each of our wide-ranging business units, to keep Outside Directors and Outside Corporate Auditors informed of the current business situation and issues, and to provide information through

internal and external events to encourage a deeper understanding of the Company. We will continue to expand briefings to Outside Directors and Outside Corporate Auditors.
2) Enhanced focus on investors' perspective; information and discussion on sustainability
The responsible Executive Officer or responsible department regularly reports to the Board of Directors on the content of communication with investors through IR/SR activities and trends in the investment environment. Measures for sustainability under the mid-term management plan are reported to the Board of Directors as appropriate. We shall continue to encourage discussion at the Board of Directors, promptly incorporating the perspective of a broad range of stakeholders including investors.
2. Moving forward
Based on deliberations of the effectiveness of the Board of Directors during FY2019, the Company will continue and expand these efforts in the future. Furthermore, in order to enhance the deliberations of the Board of Directors, we will improve documents and review subjects for deliberation, etc., while continuing to consider the way of deliberations, the diversity of members, and the way of evaluating the effectiveness of the Board of Directors as ongoing issues to study.

[Supplementary Principle 4-14-2] (Policy for Training of Directors/Corporate Auditors)
The Company provides training suitable to each Director/Corporate Auditor in order to improve performance of Directors and Corporate Auditors.

For Outside Directors and Outside Corporate Auditors, the Company gives tours of plants and research facilities and provides opportunities to participate in workshops for the purpose of improving their understanding of the Group.

The Company provides inside Directors opportunities, including participation in training for new Directors, to become familiar with the roles and responsibilities of Directors, the required knowledge and mindset before assuming the position. The Company also provides opportunities to update knowledge including lecture presentations by experts while conducting internal training on corporate management every year.

Corporate Auditors participate in various training sessions hosted by the Japan Audit & Supervisory Board Members Association, etc. to learn knowledge and methods required to execute duties of Corporate Auditors and work to understand the situations in the field through field audit and interviews of Directors, etc.

[Principle 5-1] (Policy for Constructive Dialog with Shareholders)
In order to achieve sustainable growth and enhance medium to long term corporate value, the Company has established the following policy for development of a system and relevant initiatives in order to have a constructive dialog with shareholders/investors.

1. IR System
While the President supervises the dialog with shareholders/investors, the Company has appointed the person responsible for IR and established Investor Relations as an organization dedicated to IR, in order to ensure smooth management of such dialog. The executive officer in charge of corporate strategy/accounting/finance serves as the person responsible for IR, and the head of Investor Relations supports him/her while closely cooperating with Corporate Strategy, Corporate Accounting & Control, Corporate Finance, and other relevant departments/divisions.

2. Method of Information Disclosure and Dialog
(1) Timely and Proper Information Disclosure
The Company has a policy in place to actively disclose information useful in deepening understanding of the Group, in addition to statutory disclosure. To that end, the Company works to disseminate information on financial results, businesses and management policy, etc., in a timely and easy-to-understand manner through media including its website.
(2) Method of Dialog

The Company holds meetings with institutional investors and the press, briefings on the status of business management, and quarterly financial results briefings, and posts materials, audio data, and transcripts including Q&A of these meetings in both English and Japanese on its website without delay, in order to ensure fairness of information disclosure. In addition, the Company holds presentation meetings on businesses and products as necessary and holds briefings for individual investors throughout the nation on various occasions.

3. Feedback to Company
The person responsible for IR reports the opinions of and requests from shareholders/investors to the Board of Directors and the Management Council as necessary and shares them.

4. Management of Insider Information and Quiet Period
The Company has established and complies with its Regulations for Information Disclosure and Regulations for Prevention of Insider Trading which clearly stipulate fair information disclosure (no selective disclosure to a certain individual) and the confidentiality of insider information.

For financial closing information, in particular, the Company sets approximately three weeks prior to a date of announcement of financial results as a "quiet period" when any communication with shareholders/investors including responses to inquiries and comments on financial closing information is withheld, in order to prevent leakage and ensure the fairness of information disclosure.

2. Capital Structure

Foreign Shareholding Ratio	More than 30%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned (Thousand shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	128,811	9.14
Custody Bank of Japan, Ltd.	74,765	5.39
JP Morgan Chase Bank 385632	66,861	4.82
Nippon Life Insurance Company	58,400	4.21
Asahi Kasei Group Employee Stockholding Assn.	34,550	2.49
Custody Bank of Japan, Ltd. (trust account 7)	31,794	2.29
Government of Norway	29,795	2.15
Custody Bank of Japan, Ltd. (trust account 5)	27,074	1.95
Sumitomo Mitsui Banking Corp.	25,404	1.83
SSBTC Client Omnibus Account	22,854	1.65

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

Supplementary Explanation

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3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, First Section
Fiscal Year-End	March
Type of Business	Chemicals
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	More than ¥2 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

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

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

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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 Board of Corporate Auditors

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	President
Number of Directors	9
Election of Outside Directors	Elected
Number of Outside Directors	3
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Masumi Shiraishi	Academic								○			
Tsuneyoshi Tatsuoka	Other								△			
Tsuyoshi Okamoto	From another company								△			

* Categories for "Relationship with the Company"

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

a. Executive of the Company or its subsidiaries
b. Non-executive Director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director/Corporate Auditor
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the Director himself/herself only)
i. Executive of a company, between which and the Company outside Directors/Corporate Auditors are mutually appointed (the Director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the Director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Masumi Shiraishi	○	The Company Group has transactions with Kansai University for which Ms. Shiraishi works, mainly concerning R&D entrustment. They are, however, transactions mainly concerning R&D programs of scientific technology and the transaction amount is very small, not more than 5 million yen. Such situation does not have any influence on her independence as professor, Faculty of Policy Studies. Under the circumstances, we have designated her as an independent director.	Ms. Shiraishi was chosen as an Outside Director to enable her wealth of experience and broad range of insight into economics and society as a university professor to be reflected in the Company's overall operations.
Tsuneyoshi Tatsuoka	○	The Company Group has transactions with the Ministry of Economy, Trade and Industry for which Mr. Tatsuoka worked in the past. They are, however, transactions mainly on research entrustment and subsidies, etc. The transaction amount is very small, not more than 0.1% of the consolidated sales of the Company Group. He has already retired from said Ministry and such situation does not have any influence on his independency. Under the circumstances, we have designated him as an independent director.	Mr. Tatsuoka was chosen as an Outside Director to enable his wealth of experience and broad range of insight into industrial and economic policy to be reflected in the Company's overall operations.
Tsuyoshi Okamoto	○	The Group has transactions with Tokyo Gas Co., Ltd., where Mr. Okamoto was formerly involved in executive management, concerning gas supply, mainly to plants in the Kanto Area. Said transactions, however, are regular transactions with little room for discretion. The amount of said transactions is very small, not more than 0.1% of the consolidated sales of the Group, which does not have many main plants in the Kanto Area, and not more than 0.1% of the consolidated sales of Tokyo Gas Co., Ltd. In addition, he has not been involved in the business since 2014 and such situation does not have any influence on his independence. Under these circumstances, we have	Mr. Okamoto was chosen as an Outside Director to enable his wealth of business management experience and broad range of insight as a corporate executive to be reflected in the Company's overall operations.

		designated him as an independent director.	

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

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination Advisory Committee	Remuneration Advisory Committee
All Committee Members	5	5
Full-time Members	0	0
Inside Directors	2	2
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

In order to further improve transparency and objectivity of the business management, the Company has established the Nomination Advisory Committee and the Remuneration Advisory Committee, which consist primarily of Outside Directors, so that Outside Directors actively participate in consideration of the optimal makeup and size of the Board of Directors of the Company, policies to nominate candidates for Directors and Corporate Auditors, independence standards and qualification for Outside Directors/Corporate Auditors, Directors' remuneration policy/system, and evaluation of each Director for performance-based remuneration, as well as to provide relevant advice to the Board of Directors.

The Nomination Advisory Committee and the Remuneration Advisory Committee each has three Outside Directors and two Representative Directors as committee members. The number of meetings held and their rates of attendance were as follows.

Nomination Advisory Committee:
3 meetings in fiscal 2019 with 100% attendance of all members
Remuneration Advisory Committee:
4 meetings in fiscal 2019 with 100% attendance of all members

[Corporate Auditors]

Establishment of Board of Corporate Auditors	Established
Maximum Number of Corporate Auditors Stipulated in Articles of Incorporation	7
Number of Corporate Auditors	4

Cooperation among Corporate Auditors, Accounting Auditors and Internal Audit Departments

For cooperation between Corporate Auditors and the Internal Audit Department, the Internal Audit Department and Corporate Auditors enhance cooperation through meetings held on a regular basis and check the effectiveness of the internal control system of the Group concerning legal compliance and risk management.
For cooperation between Corporate Auditors and the Independent Auditors, Corporate Auditors check the audit plan with the Independent Auditors and receive a report from the Independent Auditors on the audit results of the Company as well as its subsidiaries as of the end of each quarterly consolidated accounting period and as of the end of the consolidated fiscal year.

Appointment of Outside Corporate Auditors	Appointed
Number of Outside Corporate Auditors	2
Number of Independent Corporate Auditors	2

Outside Corporate Auditors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Akio Makabe	Academic							△			○			
Tetsuo Ito	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 subsidiary
b. Non-executive Director or accounting advisor of the Company or its subsidiaries
c. Non-executive Director or executive 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, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a 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) (the Corporate Auditor himself/herself only)
k. Executive of a company, between which and the Company outside Directors/Corporate Auditors are mutually appointed (the Corporate Auditor himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the Corporate Auditor himself/herself only)
m. Others

Outside Corporate Auditors' Relationship with the Company (2)

Name	Designation as Independent Corporate Auditor	Supplementary Explanation of the Relationship	Reasons of Appointment
Akio Makabe	○	Mr. Akio Makabe formerly worked at Mizuho Bank, Ltd., from which the Group has significant borrowings. However, as 10 years have passed since Mr. Makabe resigned from said bank in July 2005, and as he focused on academic activities including teaching at various universities while working at the bank, it is judged that this would not affect Mr. Makabe's independence in his relationship with the Company. Also, Mr. Makabe is a professor of the Faculty of Economics at Shinshu University, with which the Group has business dealings. However, since the annual volume of transactions between the Group and Shinshu University is less than 1% of the Group's consolidated net sales, it is judged that this would not affect his independence in his relationship with the Company. Furthermore, although Mr. Makabe formerly served as a member of the Company's Group Advisory Committee, the remuneration he received was not significant, so it is considered that this would also not affect his independence in his relationship with the Company.	Mr. Makabe was chosen as an Outside Corporate Auditor to enable audits based on his wealth of experience and broad range of knowledge related to economics and finance as a university professor. Mr. Makabe has been teaching and researching economics and finance at universities for many years and has extensive knowledge of finance and accounting.

Tetsuo Ito	○	Mr. Tetsuo Ito currently works as a lawyer at Nishimura & Asahi, with which the Group has business dealings. However, since the annual volume of transactions between the Group and Nishimura & Asahi is less than 1% of the Group's consolidated net sales, it is judged that this would not affect Mr. Ito's independence in his relationship with the Company. Furthermore, although Mr. Ito serves as a member of the Company's Group Advisory Committee, the remuneration he receives is not significant, so it is considered that this would also not affect his independence in his relationship with the Company.	Mr. Ito was chosen an Outside Corporate Auditor to enable audits based on his wealth of experience and broad range of knowledge related to compliance as a prosecutor and lawyer.

[Independent Directors/Corporate Auditors]

Number of Independent Directors/Corporate Auditors	5

Matters relating to Independent Directors/Corporate Auditors

The Company designates three Outside Directors and three Outside Corporate Auditors as Independent Directors/Corporate Auditors.

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration and Stock-based remuneration

Supplementary Explanation

Directors' remuneration except for that of Outside Directors is composed of fixed basic remuneration, variable performance-linked remuneration reflecting financial results, and stock-based remuneration

Recipients of Stock Options	

Supplementary Explanation

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[Director Remuneration]

Disclosure of Individual Directors' Remuneration	No Individual Disclosure

Supplementary Explanation

The Company discloses total remuneration of inside Directors and Outside Directors in its Business Report and Securities Report. Only Japanese version available.

(Notice of general shareholders meeting)
https://www.asahi-kasei.co.jp/asahi/jp/ir/stock_information/meeting/
(Securities report)
https://www.asahi-kasei.co.jp/asahi/jp/ir/library/financial_report/

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Basic policy

Remuneration of Outside Directors, who have a position of independence with respect to management of the Company, is comprised solely of fixed basic remuneration at a level determined in consideration of third-party survey data, in order to secure a high degree of independence unaffected by short-term earnings fluctuations.

The remuneration system for Directors with executive responsibilities, who are the Senior Management, combines performance-linked remuneration together with stock-based remuneration as nonmonetary remuneration, in addition to fixed basic remuneration which serves a basic livelihood, in order to provide incentives tied to earnings and management strategy, with levels of remuneration amounts and proportions of types of remuneration adjusted as appropriate for each role according to management strategy and tasks, in consideration of third-party survey data.

To ensure the optimal way of remunerating Directors and design of the remuneration system, the Board of Directors and the Remuneration Advisory Committee regularly deliberate and continually confirm appropriateness and make improvements.

2. Policy for determining timing and conditions of remuneration

Considering the purpose of each type of remuneration, fixed basic remuneration is provided monthly as it serves as a basic livelihood, performance-linked remuneration is provided monthly as it serves as a constant incentive, and stock-based remuneration is provided to relevant Directors at the time they retire both as Director and as officer of the Group as it serves to bring medium-to-long-term alignment with shareholders' perspective.

3. Policy for determining each individual's basic remuneration (monetary remuneration)

Amounts of basic remuneration for Directors are determined through comprehensive consideration in accordance with rank and responsibility taking account of other companies' levels and the Company's earnings.

4. Policy for determining content of performance-linked remuneration and nonmonetary remuneration as well as method of calculating amounts and numbers thereof

Performance-linked remuneration, which comprises a part of remuneration for Directors with executive responsibilities, combines both achievement of financial targets including asset efficiency to provide incentives tied to earnings and management strategy as management leaders together with achievement of nonfinancial targets including individual targets including progress on sustainability.

Performance-linked remuneration is calculated based on comprehensive judgment based on achievement of financial targets such as consolidated net sales, operating income, ROA, etc., together with achievement of individually set targets including progress on sustainability. Standards for financial incentives are selected as appropriate for clear and objective evaluation based on earnings results together with the perspective of awareness for increased asset efficiency.

The formula required to calculate individual performance-linked remuneration is outlined as follows.

[Formula required to calculate individual performance-linked remuneration]
Index calculated by evaluation* × basic amount by rank
= individual performance-linked remuneration amount

* Coefficient comprehensively considering achievement of financial targets and nonfinancial targets

A portion of remuneration for Directors with executive responsibilities is the provision of shares of the Company's stock as nonmonetary remuneration. To reinforce a common perspective with shareholders including both the benefits of share price increases and the risk of share price decreases, a stock-based remuneration system was adopted at the 126th Ordinary General Meeting of Shareholders on June 28, 2017, whereby a trust established by the Company acquires shares of the Company and grants them to eligible Directors. Based on the Share Grant Regulations adopted by the Board of Directors, eligible Directors are conferred points in accordance with their rank, etc. (maximum of 100,000 points per fiscal year) and the Company's shares are granted to eligible Directors corresponding to the accumulated number of points at the time of their retirement as Director and as officer of the Group (one share of stock per point).

5. Policy for determining the proportion of basic remuneration, performance-linked remuneration, and nonmonetary remuneration for individual Directors with executive responsibilities

The proportion of basic remuneration, performance-linked remuneration, and stock-based remuneration for each Director with executive responsibilities is determined to provide an appropriate incentive in accordance with management strategy and management tasks, with consideration given to the level obtained from third-party survey data.

The proportion of basic remuneration, performance-linked remuneration, and stock-based remuneration for each Director with executive responsibilities is generally 6:3:1, with performance-linked remuneration being 0% to 200%, according to evaluation, of a basic amount based on rank. However, the Board of Directors and the Remuneration Advisory Committee regularly deliberate on the appropriateness of this, and improvement is made based on continual confirmation of appropriateness.

6. Policy for determining items to be entrusted regarding determination of content of remuneration of individual Directors and for determining content of remuneration of individual Directors

Among remuneration of each individual Director, determination of the amount of performance-linked remuneration is entrusted to the Remuneration Advisory Committee based on a resolution of the Board of Directors, with the Remuneration Advisory Committee being authorized to confirm the reasonableness and appropriateness of the evaluation of the achievement of targets by each Director with executive responsibilities as proposed by the President & Director, and to determine remuneration amounts for individual Directors by applying this evaluation to the framework formula determined by the Board of Directors.

To ensure the appropriate use of this authorization, the Remuneration Advisory Committee is comprised of a majority of Outside Directors, and it regularly reports to the Board of Directors on the process of the above confirmation and determination.

Regarding determination of basic remuneration and stock-based remuneration for individual Directors, the Board of Directors requests deliberation from the Remuneration Advisory Committee and makes a determination based on ample consideration of the result of deliberation by the Remuneration Advisory Committee.

Fixed basic remuneration by rank is paid upon determination of the amount by the Board of the Directors. Stock-based remuneration is granted to eligible Directors when certain conditions are met, corresponding to points conferred to each Director based on the Share Grant Regulations adopted by the Board of Directors.

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

For Outside Directors and Outside Corporate Auditors, the Company gives tours of plants and research facilities and provides opportunities to participate in workshops for the purpose of improving their understanding of the Group. The Company, for agendas of monthly meetings of the Board of Directors, works to distribute materials early and provide prior explanation to Outside Directors and Outside Corporate Auditors as much as possible. In addition, in order to enhance the function of the Board of Corporate Auditors and to facilitate smooth cooperation and support with Outside Corporate Auditors, the Company has established a Corporate Auditors Office staffed with dedicated employees.

[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]

Information on retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
Ichiro Itoh	Honorary Chairman	Activities inside/outside the Company and relationships with counterparties to increase corporate value for the Group (non-participation in management)	Full time with compensation	June 27, 2018	Fixed-term
Taketsugu Fujiwara	Special Advisor	Economic associations' activities, social contributions, other company's outside officer, etc. (non-participation in management)	Full time with compensation	March 31, 2014	Fixed-term
Toshio Asano	Standing Counsellor	Economic associations' activities, social contributions, other company's outside officer, etc. (non-participation in management)	Full time with compensation	March 31, 2016	Fixed-term

Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)	3

Others

The Company has the advisory positions (sodanyaku and komon) for retired directors, corporate auditors and executive officers with the authorization of the Board of Directors. People in such advisory positions are expected to engage in economic associations' activities, social contributions, etc. without influence on management of the Company.

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

1. Oversight and audit
1) The Board of Directors, which consists of nine Directors including three Independent Outside Directors (one-third), makes decisions on matters that are stipulated by laws/regulations and the Articles of Incorporation as requiring a Board of Directors resolution, as well as on important matters for the Company and the Group, and oversees execution of operations by Directors and Executive Officers.
2) Under the Board of Directors, the Company has established a Nomination Advisory Committee and a Remuneration Advisory Committee, which consist primarily of Outside Directors, so that Outside Directors actively participate in consideration of the optimal makeup and size of the Board of Directors of the Company, policies to nominate candidates for Directors/Corporate Auditors, independence standards and qualification for Outside

Directors/Corporate Auditors, Directors' remuneration policy/system, and evaluations of Directors for performance-based remuneration, and to provide relevant advice to the Board of Directors.

3) The Board of Corporate Auditors consists of five Corporate Auditors including three (majority) Independent Outside Corporate Auditors [please note that on January 13, 2021, the number of Independent Outside Corporate Auditors decreased from three (majority) to two (half) due to the decease of one of them], and each Corporate Auditor, based on the audit policy stipulated by the Board of Corporate Auditors, oversees execution of duties by Directors by attending meetings of the Board of Directors and examining the status of execution of operations. In order to enhance the function of the Board of Corporate Auditors and to facilitate smooth cooperation and support with Outside Corporate Auditors, the Company has established a Corporate Auditors Office staffed with dedicated employees.

4) PricewaterhouseCoopers Aarata performs audits based on the Companies Act and the Financial Instruments and Exchange Act.

5) The Company has established Internal Audit Department which conducts internal audits based on an audit plan. Results of internal audits performed by each staff function are aggregated in the Internal Audit Department and reported to the Board of Directors.

2. Execution of operation

1) The Company has adopted an Executive Officer system in order to expedite the execution of operations, as well as to clarify responsibilities and specify the roles of Directors in charge of decision-making and oversight, and of Executive Officers in charge of execution of operations.

2) The Company has established detailed standards for decision-making in its Decision-making and Approval Authority Rules of the Group with regard to matters concerning the management plan, investment and loans, financing and fund management, the organization and rules, research and development, and production technology, and delegates authority to the Management Council and the core operating companies from the Board of Directors.

3. Risk management and compliance

1) The Company has established the Risk Management & Compliance Committee which adopts policies and deliberates on matters in regard to risk management and compliance.

2) The Company has established the Responsible Care (RC) Committee which discusses preventive measures and recurrence prevention measures for accidents related to environmental protection, quality control, operational safety, and workplace safety/health.

4. Summary of activities of the Board of Directors

Summary of activities of the Board of Directors in fiscal 2019 was as follows.

Number of meetings: 16

Average meeting duration: Approximately 2 hours 30 minutes

Average attendance rate of Directors and Auditors: 98.2%.

5. Audits

Internal audits, audits by Corporate Auditors, and financial audits were as follows.

Internal audits:

The company has established an Internal Audit Department, consisting of 18 members as of March 31, 2020, directly supervised by the President, to perform internal audits. The Internal Audit Department formulates an annual audit plan according to the Company's Basic Regulation for Internal Audits, and conducts an audit of the Group under the approval of the President.

Audits by Corporate Auditors:

Each Corporate Auditor audits the execution of duties of Directors by attending meetings of the Board of Directors and examining the status of execution of operations based on the audit policy stipulated by the Board of Corporate Auditors. To support the function of the Board of Corporate Auditors, the Company has established a Corporate Auditors Office.

Financial audits:

PricewaterhouseCoopers Aarata LLC is contracted as the Independent Auditors to perform financial audits according to the Companies Act and Financial Instruments and Exchange Act. The certified public accountants who audited the consolidated financial statements for fiscal 2019 were as follows.

Designated Limited Liability Partnership Engagement Partner: Koichiro Kimura
Designated Limited Liability Partnership Engagement Partner: Yuichiro Amano
Designated Limited Liability Partnership Engagement Partner: Hideki Godai

The Independent Auditors from a team of assistants for performance of the audit in accordance with its audit plan, comprising 16 certified public accountants and 36 other specialist accountants.

3. Reasons for Adoption of Current Corporate Governance System

Under the governance system of a company with a Board of Corporate Auditors, the Company has voluntary committees comprised of a majority of Outside Directors to receive advice regarding the selection and remuneration of Directors and Corporate Auditors, enabling flexible implementation as well as objective and highly transparent oversight of management together with a Board of Directors comprised of Directors having rich experience and a broad range of knowledge both inside and outside the Company involved in important management decisions, effective oversight of management is obtained. Furthermore, with a Corporate Auditor configuration comprised of Corporate Auditors well-versed in the Company's internal situation and Outside Corporate Auditors having high expertise, the lawfulness and appropriateness of management is ensured. This system provides an appropriate balance among dynamic and flexible management decisions, effective oversight of management, and the lawfulness and appropriateness of management, which is believed to be the optimum corporate governance system for the Company.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company generally mails a notice at least three weeks prior to the date of a general shareholders meeting.
Scheduling AGMs Avoiding the Peak Day	The Company is aware that a shareholders meeting is a venue for constructive dialog with shareholders, and ensures that the date of the general shareholder meeting does not fall on a date when many other shareholders meetings of other companies are being held.
Allowing Electronic Exercise of Voting Rights	Voting rights may be exercised via the Internet.
Participation in Electronic Voting Platform	The Company participates in the platform for exercise of voting rights of ICJ.
Providing Convocation Notice in English	The Company posts a notice of general shareholders meeting (in Japanese and English) on its website.
Other	The Company posts electronic data of a notice on its website prior to mailing of a notice of general shareholders meeting.

2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company has a disclosure policy in place and posts it on its website. https://www.asahi-kasei.com/ir/disclosure/	
Regular Investor Briefings for Individual Investors	The person responsible for IR provides briefings on the Company to individual investors several times a year.	
Regular Investor Briefings for Analysts and Institutional Investors	The Company provides briefings on financial results four times a year and holds a management briefing once a year for analysts and institutional investors.	Yes
Regular Investor Briefings for Overseas Investors	The Company visits investors in Europe, the US, and Asia to provide briefings.	Yes
Posting of IR Materials on Website	The Company posts various IR materials on the investor information section of its website. https://www.asahi-kasei.com/ir/	
Establishment of Department and/or Manager in Charge of IR	The Company has Investor Relations as a department in charge of IR.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Group has Group Values in place as the common values shared by all employees of the Group. The Group Values require employees to be sincere with all stakeholders including customers, communities, investors, and employees at all times out of respect for the position of such stakeholders.
Implementation of Environmental Activities, CSR Activities, etc.	For environmental protection activities of the Group, the Company has established the policy for business ethics as well as the policy for Responsible Care which stipulates that the Company "would be highly aware of its responsibilities in conservation of the global environment and operate the Company while paying attention to environment, safety, and health, including development, production, use, and disposal of products." The Company positions "Thorough enforcement of compliance," "Promotion of responsible care," "Coexistence with society," and "Respect for the individuality of employees" as important CSR activities and works to fulfill corporate social responsibilities by contributing to stakeholders through its business activities.
Development of Policies on Information Provision to Stakeholders	As policies for information provision to stakeholders, the Group has established the Basic Policy for Information Disclosure as well as the Regulations for Information Disclosure, and strives to disclose company information in a fair, just and accurate manner as swiftly as possible to the public including stakeholders such as customers, business partners, shareholders/investors, employees and communities. The Company facilitates understanding of the Group and aims to improve its brand strength as well as corporate value while building trust with stakeholders by widely having two-way communications with stakeholders and the society.
Other	The Group sets "Respect for Diversity" as part of its human resource philosophy, and works to become a company where all employees play an active role. For promotion of success of women, the Company established EO Promotion (currently the Diversity Promotion Dept.) in 1993 and has enhanced systems to support achieving a balance between life and work while providing systematic skill development and fair assessment to support career advancement of female employees. The Company plans to double the number of female managers by the end of FY2020 from the end of FY2014. Not only for female employees, but also for such employees whose ways of working are restricted due to child-rearing or care for family members, employees who work while receiving treatment for a disease, and employees with various different backgrounds, the Company will continue to review and expand ways of working and systems so that various personnel actively leverage their individuality in work.

IV. Matters Related to the Internal Control System

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

The Company, at the Board of Directors, has made the following decisions concerning development of systems to ensure that execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, and other systems necessary to ensure the properness of operations, based on Article 362 of the Companies Act and Article 100 of the Ordinance for Enforcement of the Companies Act.

System of Compliance for Execution of Duties by Directors

1. Directors oversee the execution of operations by other Directors through the Board of Directors.
2. For the purpose of the foregoing paragraph, the Company holds a meeting of the Board of Directors once or more per month in principle.
3. For the purpose of Paragraph 1, the Company, in the Regulations of the Board of Directors, specifically stipulates matters to be discussed by the Board of Directors concerning the execution of important operations.
4. The Company has a Board of Corporate Auditors, and Corporate Auditors, based on the audit policy stipulated by the Board of Corporate Auditors, oversee the execution of duties by Directors by attending meetings of the Board of Directors and examining the status of the execution of operations from the viewpoints of legality and validity.

System of Communication of Information and Storage/Management Thereof

1. The Company, in the Articles of Incorporation, the Regulations of the Board of Directors, and the Decision-Making and Approval Authority Regulations of the Group, clearly specify decision makers concerning the decision of matters important to the management of the Group including the Board of Directors and the Management Council, and properly makes decision based thereon.
2. The Company, in the Articles of Incorporation, the Regulations for the Board of Directors, and the Decision-Making and Approval Authority Regulations of the Group, also clearly specifies to whom reports are to be made and what is to be reported concerning the communication of information important to the management of the Group including the Board of Directors and the Management Council, and properly communicates information based thereon.
3. The President of the Company requests reports from Presidents of the strategic business units and Presidents of the core operating companies on the status of the execution of operations and important management issues as well as results of audits conducted by Corporate Auditors of core operating companies, and exerts efforts to fully understand information which is important to the management of the Group.
4. Concerning decision making and communication of information conducted in accordance with the above, the Company specifies rules on the creation and storage of minutes thereof as necessary to store and manage such information properly based thereon.

System to Ensure Efficiency

1. The Group establishes business sectors in order to conduct diversified businesses and ensures a system which enables swift and flexible decision-making based on the nature of each business.
2. The Company adopts an Executive Officer system in order to expedite the execution of operations and clarify responsibilities, and also to specify the roles of Directors in charge of decision-making and supervision, and those of Executive Officers in charge of the execution of operations.
3. To expedite management decisions, the Company promotes proper delegation of authority pertaining to the execution of operations.
4. Financial data which are used in performance management are provided in a timely and appropriate manner to Directors, Executive Officers, etc.

Risk Management System

1. The Company establishes its basic policy in order to centrally control and operate risk management and to promote compliance across the entire Group, and also establishes an organization in charge of theses duties. The Company also builds a system so that proper and prompt action can be taken when a risk becomes clear.
2. To deal with risks related to the environment, quality, workplace safety/health, disasters, etc., each responsible division/department establishes necessary rules, provides education, raises awareness, and implements monitoring as necessary as well as confirms the status of measures taken through audits and in other ways and make improvements as necessary.
3. The Company clarifies the system and procedures concerning the internal controls for financial reporting and ensures their effectiveness by establishing an organization to manage such a system and procedures.

Compliance System of the Group

1. For the Group to fulfill and promote corporate social responsibilities, the Company has committees established under the direct supervision of the Asahi Kasei President.
2. The Company establishes Asahi Kasei Group Code of Conduct as a standard for corporate conduct for compliance and applies this Code to the entire Group. Furthermore, the Company proactively makes efforts to disseminate it to the officers and employees of the Group.
3. In order to enhance risk management and the compliance system in the entire Group, the Company appoints an Executive Officer in charge of risk management and compliance and adopts a system which monitors the progress of risk management measures and the status of compliance of the entire Group.
4. The Company introduces a Compliance Hotline (whistle blowing system) which all employees of the Group can utilize.
5. The Internal Audit Department, which also satisfies an internal audit function, conducts an audit of whether the execution of operations by all divisions/departments of the Group complies with laws and regulations as well as the Articles of Incorporation.

System to Support Corporate Auditors

1. The Company has a Corporate Auditors Office as a department which supports the duties of Corporate Auditors.
2. Corporate Auditors, not Directors, have the right to supervise and give instructions to employees who are affiliated with the Corporate Auditors Office.
3. Transfer and performance review of employees who are affiliated with the Corporate Auditors Office require the prior approval of Corporate Auditors.
4. Employees who are assigned to the Corporate Auditors Office work as dedicated staff.
5. In order to effectively conduct an audit, the Company assigns a sufficient number of staff members with the required specialist skills and abundant work experience as employees who are assigned to the Corporate Auditors Office.

System of Reporting to Corporate Auditors

1. Corporate Auditors may require Directors, Executive Officers, and employees of the Company as well as Directors, Executive Officers, employees, and Corporate Auditors of each Group company to submit reports whenever considered necessary to execute their duties.
2. Directors, Executive Officers, and employees of the Company as well as Directors, Executive Officers, employees, Corporate Auditors of each Group company promptly report to Corporate Auditors of the Company information important to the management of the Group, including matters related to compliance not limited to the matters Corporate Auditors are required to report.
3. No unfair treatment shall be given to any person who makes a report to Corporate Auditors (including whistle-blowers) on the grounds of making such report.

Policy for Burden of Audit Cost

1. The Company bears the audit cost except when considered unnecessary for the execution of duties by Corporate Auditors.

2. The Company sets a budget for cost which arises from the execution of duties by Corporate Auditors.

Other System to Ensure Effectiveness of Audit by Corporate Auditors

1. The Company provides opportunities to have meetings between Corporate Auditors and Outside Directors and between Corporate Auditors and Independent Auditors as well as between Corporate Auditors and the Internal Audit Department on a regular basis so that Corporate Auditors can understand the situation of compliance and management of the Group, and share information.
2. In order to improve the effectiveness of the Group audit system, Corporate Auditors of the Company regularly exchange ideas with Corporate Auditors of the core operating companies.

2. Basic Views on Eliminating Anti-Social Forces

The Company shall resolutely reject anti-social forces, and shall not provide any benefit or have any other trading relationship with them. In addition, General Affairs, which is in charge of the overall management of responses to anti-social forces, leads activities including cooperation with external specialized agencies such as the police, and collection of information on anti-social forces to disseminate information and raise awareness within the Group.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation
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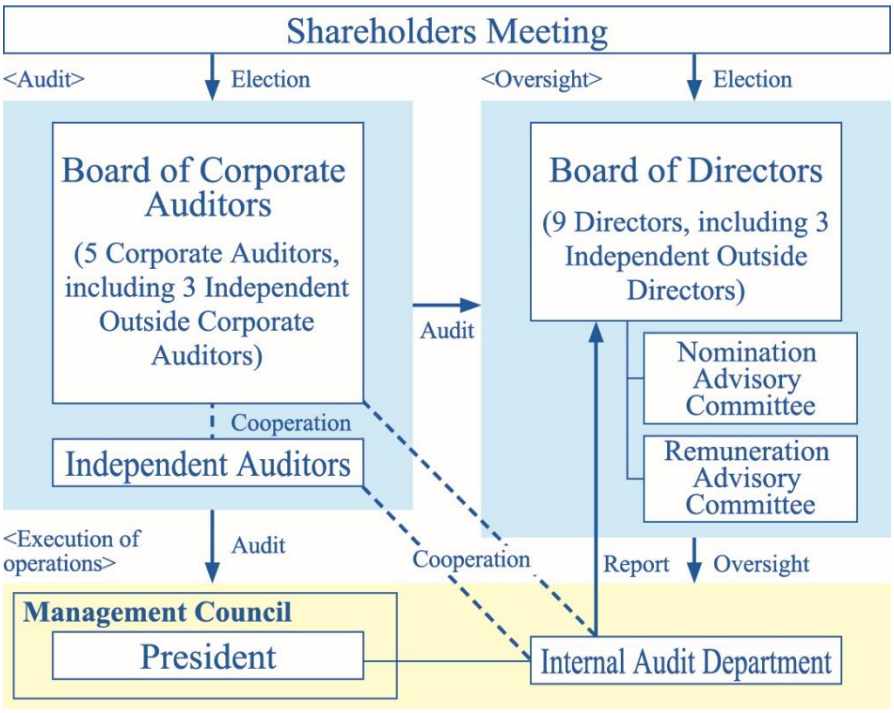
2. Other Matters Concerning to Corporate Governance System

Overview of Timely Disclosure System

1. Basic Stance on Timely Disclosure
The Group, in the Basic Policy for Information Disclosure as well as the Regulations for Information Disclosure, sets as a basic principle striving to disclose company information in a fair, just, and accurate manner as swiftly as possible to the entire society including stakeholders such as customers, business partners, shareholders/investors, employees and communities.

2. Internal System for Timely Disclosure
(1) For information disclosure including timely disclosure, the Group has established the "Basic Policy for Information Disclosure" as well as the "Regulations for Information Disclosure" which apply to the Company and its subsidiaries, and holds "Timely Disclosure (disclosure without delay after any decision is made or any event occurs)" as a basic principle.
(2) In order to achieve the objectives of the "Basic Policy for Information Disclosure" as well as the "Regulations for Information Disclosure," the Group has an Information Disclosure Committee.
(3) At the Group, the General Manager of the General Affairs Department is responsible for handling information based on the "Timely Disclosure Rule" while the General Affairs Department and Investor Relations, which are responsible for information disclosure, serve as the departments responsible for information disclosure. The departments responsible for information disclosure report the status of timely and proper disclosure of company information to the Information Disclosure Committee.
(4) When important company information as stipulated by the "Regulations for Information Disclosure" arises, Corporate Communications of the General Affairs Department, the department responsible for information disclosure, aggregates important company information from divisions/departments responsible for information and properly manages it.
(5) Corporate Communications of the General Affairs Department determines what/when/how to disclose information and also handles filing of information with the stock exchange, etc., and announcements. Timely disclosure of management decisions and financial closing information is made without delay after being approved by the Board of Directors.
(6) The department involved in timely disclosure, the Internal Audit Department, as well as Corporate Auditors conduct audits of the system to manage timely disclosure.

(Reference material: Corporate Governance Structure)



(Reference material: Timely disclosure system flowchart)

