June 25, 2021

To whom it may concern,

Company: Japan Lifeline Co., Ltd.
Representative: Keisuke Suzuki, President and CEO
(Code: 7575 TSE 1st Section)
Contact person: Kenji Yamada, Senior Vice President,
Corporate Administration Headquarters
(TEL. +81-3-6711-5200)

Notice on Partial Revision of Basic Policy for Establishment of Internal Control System

Japan Lifeline Co., Ltd. (the "Company") announced today that at the Board of Directors meeting held on June 25, 2021, it has resolved to partially revise the basic policy for the establishment of an internal control system, as described below. (Changes are underlined)

1. System to Ensure that Directors and Employees Execute their Duties in Compliance with Laws and Regulations and the Articles of Incorporation

(i) Directors and employees shall act in compliance with laws and regulations, social ethics, the Articles of Incorporation, and other internal regulations, with their standards comprising the "Code of Ethics," "Action Policy," and the "Compliance Guidelines."

(ii) The Company shall engage in the creation of internal compliance systems, centered on the Chief Compliance Officer and Compliance Committee, in accordance with the "Compliance Promotion Regulations."

(iii) The Company shall distribute handbooks related to compliance to all directors and employees, in addition to conducting training, to ensure thorough awareness of compliance.

(iv) A helpline shall be established at an external institution to provide a contact point where compliance issues can be easily reported and discussed.

(v) All relations with antisocial forces shall be blocked in accordance with the "Compliance Guidelines" and the "Regulations Regarding the Elimination of Antisocial Forces," and in the event that there is a fear of relations with antisocial forces, it shall be promptly reported to the responsible department, and the Company shall respond with a resolute stance, while collaborating with the police and other external institutions.

(vi) The Internal Audit Division shall conduct audits regarding the status of compliance with laws and regulations, the Articles of Incorporation, and internal regulations, in accordance with the "Internal Audit Regulations."

(vii) As an advisory body to the Board of Directors, the Company shall establish a voluntary Nomination and Remuneration Advisory Committee, more than half of whose members are independent outside directors and chaired by an independent outside director, to ensure objectivity and transparency in the evaluation and decision-making process regarding the nomination and remuneration of directors.

2. System for Storage and Management of Information Related to the Execution of Duties of the Directors

(i) The Company stores and manages minutes of the General Meeting of Shareholders, the Board of Directors, and other important meetings, approval documents and applications where directors are approvers, and other important documents pertaining to the execution of duties by directors (including electronic records), in accordance with the Document Management Regulations.

(ii) Directors may view the above documents at any time.

3. Regulations or Any Other Systems for Management of Risk of Loss

(i) In accordance with the Risk Management Regulations, the Company shall endeavor to create a company-wide risk management system, centered on the Chief Risk Management Officer and the Risk Management Committee.

(ii) In the event that a significant risk is discovered and a company-wide response is required, a division for responding shall be established with the President as Executive Manager, and the loss shall be minimized through a prompt response.

4. System to Ensure that the Execution of Duties of Directors is Efficient

(i) The Board of Directors shall establish Regulations on the Assignment of Business Operations and Regulations on Administrative Authority in order to ensure that directors' duties are executed in an appropriate and efficient manner.

(ii) The Board of Directors formulates annual budgets, in addition to receiving reports on the status of progress thereof from each responsible director, considering any issues, and implementing countermeasures as necessary.

5. System to Ensure Proper Business Execution within the Corporate Group Comprising the Company and Subsidiaries

(i) Systems related to reports to the Company on matters pertaining to the execution of duties by directors, etc. of subsidiaries

a. In accordance with the "Affiliate Management Regulations," the Company shall receive reports on matters pertaining to the execution of duties by directors of subsidiaries, in addition to financial reports, minutes of meetings, and other documents.

b. The Company's directors (excluding those who are Audit and Supervisory Committee Members) or employees also serve concurrently as directors or corporate auditors of subsidiaries, and the Company receives reports as appropriate on the status of the execution of duties at these subsidiaries from these directors, etc.

(ii) Regulations or any other systems for management of risk of loss at subsidiaries

a. In accordance with the Risk Management Regulations, the Company shall endeavor to create a system for managing risk at subsidiaries, centered on the Chief Risk Management Officer and the Risk Management Committee.

b. In the event that a significant risk is discovered at a subsidiary, a prompt response shall be implemented, centered on the President of the subsidiary and the loss shall be minimized through the assistance of the Company, as necessary.

(iii) System to ensure efficiency of execution of duties by directors, etc. of subsidiaries

a. The responsible department of the Company manages business in accordance with the Affiliate

Management Regulations, and also supports the creation of systems for appropriate business execution, including establishing Regulations on the Assignment of Business Operations and Regulations on Administrative Authority at subsidiaries.

(iv) System to ensure that directors, etc. and employees of subsidiaries execute their duties in compliance with laws and regulations and the Articles of Incorporation

a. The Company provides advice, guidance, and assistance as necessary, to ensure that compliance systems are created at subsidiaries, in accordance with the Affiliate Management Regulations.

b. The Internal Audit Division conducts audits regarding the status of compliance with laws and regulations, the Articles of Incorporation, and internal regulations at subsidiaries, in accordance with the Internal Audit Regulations.

6. Matters Related to Employees to Assist Duties of Audit and Supervisory Committee Members in the Event that the Committee Have Requested such Employees

In the event that Audit and Supervisory Committee Members request the assignment of employees to assist them with their duties, the Company shall assign appropriately qualified persons, after consultation with Audit and Supervisory Committee.

7. Matters Related to the Independence from Directors of Employees Described in the Preceding Item

(i) Employees ordered by Audit and Supervisory Committee to assist them in their audit operations shall not be instructed by directors (excluding those who are Audit and Supervisory Committee Members) regarding these operations.

(ii) Advance consultations with Audit and Supervisory Committee shall be held with regard to matters pertaining to personnel decisions concerning employees ordered by Audit and Supervisory Committee to assist them in their audit operations.

8. Matters Related to Ensuring the Effectiveness of Instructions to Employees to Assist the Duties of Audit and Supervisory Committee

(i) Employees ordered by Audit and Supervisory Committee to assist them in their audit operations shall execute operations based on the instructions from Audit and Supervisory Committee.

(ii) Directors (excluding those who are Audit and Supervisory Committee Members) shall endeavor to create an environment for audits to ensure that the operations of employees ordered by Audit and Supervisory Committee to assist them in their audit operations are conducted in a smooth manner.

9. Systems for Directors and Employees of the Company and Subsidiaries to Make Reports to Audit and Supervisory Committee and Other Systems Related to Reports to Audit and Supervisory Committee Members

(i) Directors and employees of the Company and subsidiaries shall provide accurate and prompt reports to Audit and Supervisory Committee on the following matters:

- Matters that may cause significant corporate damage
- Actions that violate laws and regulations or the Articles of Incorporation, or actions whereby there is a risk thereof
- The status of the development and implementation of internal controls based on the Companies Act and the Financial Instruments and Exchange Act
- Results of internal audits conducted by the Internal Audit Division

- Any other matters about which Audit and Supervisory Committee requests reports

(ii) Directors and employees of the Company and subsidiaries shall promptly provide reports on matters about which Audit and Supervisory Committee requests reports.

10. Systems to Ensure that Persons Making a Report to Audit and Supervisory Committee are not Treated Unfavorably on the Basis of Such Reporting

The Company shall not treat directors, Audit and Supervisory Committee Members, or employees of the Company or any subsidiaries who make a report to Audit and Supervisory Committee unfavorably on the basis of such reporting.

11. Matters Relating to Policies Concerning Procedures for Making Advance Payments or Reimbursements of Expenses Incurred in Connection with the Execution of Duties by the Company's Audit and Supervisory Committee Members and Treatment of Other Expenses or Obligations Associated with the Execution of Duties by These Members

If any Audit and Supervisory Committee Member requests the advance payment of expenses arising in regard to the execution of their duties or reimbursement, etc., the Company shall promptly respond to these requests, excluding cases when it is recognized that these expenses, etc. are not necessary for the execution of the Audit and Supervisory Committee Member's duties.

12. Other Systems to Ensure Effectiveness of Audits by Audit and Supervisory Committee

(i) Audit and Supervisory Committee Members may participate in internal meetings as necessary.

(ii) Audit and Supervisory Committee shall hold regular meetings to exchange views with the President.

(iii) The Internal Audit Division shall engage in advance consultations with Audit and Supervisory Committee when formulating audit plans.

13. System to Ensure Reliability of Financial Reporting

(i) The Company shall develop internal control systems to ensure the reliability of financial reporting and evaluate the status of their implementation based on the "Basic Policy on Internal Controls Related to Financial Reporting," and shall determine a responsible department, which shall lead these initiatives.

(ii) If any deficiency is discovered in internal control systems or their implementation, it shall be reported to managers and the Board of Directors, and prompt efforts shall be made to rectify these deficiencies.