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ACOM CO., LTD.

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The status of corporate governance of the Company is described below:

I Basic Policies on Corporate Governance, and Capital Structure, Company Outline and Other General Information

1. Basic Policies

The Group was founded under the motto, “Extending the feeling of confidence from person to person.” This provides the framework under which we place our three-part corporate philosophy of “Respecting other people,” “Putting the customer first,” and “Creative and innovative management.” By working to live up to these standards, we hope to deepen the relationship of trust with all our stakeholders and achieve growth in step with society.

To meet the expectations of our stakeholders and develop stronger ties of trust, we have prioritized the improvement of corporate governance as one of the most important managerial issues to be tackled as a means of securing the soundness, transparency and efficiency of management and steadily increasing shareholder value.

In addition, recognizing that an effective internal control system is indispensable in the construction of an appropriate corporate governance structure, all members of the related organizations are endeavoring to develop an internal control system and secure its effectiveness under the leadership of the Chairman, President & CEO, as well as to evaluate, verify and improve the efficacy of the internal control system in an ongoing and continuous manner.

In line with this, the Company established the Board of Company Auditors with the aim of achieving the following targets:

- Supervise the execution of duties by the Directors and the decision making by the Board of Directors that consists of internal Directors who are closely attuned to the Company’s operations, ensuring that the decisions made are appropriate and effective for business execution.
- Ensure objectively and neutrally overseeing corporate management conducted by Outside Company Auditors.
- Clearly separate the supervision and business execution functions, and expedite business execution through the introduction of an executive officer system.
- Protect the interest of general shareholders by having independent directors/auditors.

2. Capital Structure

Ratio of shareholding by foreign investors

Less than 10%

[Principal Shareholders]

Name	Number of Shares Held (shares)	Shareholding Ratio to Total (%)
Mitsubishi UFJ Financial Group, Inc.	58,872,349	36.88
Maruito Shokusan Co., Ltd.	27,346,755	17.13
Maruito Co., Ltd.	12,553,343	7.86
Kinoshita Memorial Foundation	9,219,232	5.77
Maruito Shoten Co., Ltd.	3,873,320	2.42

Name	Number of Shares Held (shares)	Shareholding Ratio to Total (%)
Kyosuke Kinoshita	3,240,321	2.03
Shigeyoshi Kinoshita	3,220,164	2.02
Mitsubishi UFJ Trust and Banking Corporation	3,157,280	1.97
NOBUKA CO., LTD.	3,000,000	1.87
Japan Trustee Services Bank, Ltd. (Trust Account 4)	2,608,510	1.63

3. Outline of Company

Stock exchange and section	Tokyo Stock Exchange, First Section
Account settlement	March 31
Industry	Other financial business
Number of employees (consolidated basis)	Not less than 1,000
Net sales (consolidated basis)	Between ¥100 billion and less than ¥1 trillion
Parent company	Mitsubishi UFJ Financial Group, Inc. (Stock listed: Tokyo, Osaka, Nagoya and Overseas)
Number of consolidated subsidiaries	Between 10 and less than 50

4. Other Special Circumstances that may Significantly Affect Corporate Governance

- (1) Position and relationships with the Company within the corporate group of the parent company
Under a business and capital alliance with Mitsubishi UFJ Financial Group, Inc. (hereinafter, “MUFG”) and its subsidiary, The Bank of Tokyo-Mitsubishi UFJ, Ltd., the Company serves as the core company for the MUFG Group’s consumer finance business.
In addition, under a contract relating to corporate management, the Company engages in consultations and makes reports to MUFG concerning important corporate matters. However, while decisions on matters such as management policy and business strategy reflect the corporate management policy of the parent company, these decisions are based on the Company’s own judgments, and as such a certain level of independence as a listed company is ensured.
- (2) Guidance of policy on the protection of minority shareholders in the event of transactions etc. with the controlling shareholders
Although the Company engages in transactions with the MUFG Group’s companies, which include borrowing funds and guaranteeing unsecured card loans, the fairness of these transactions is ensured because they are based on our code of conduct of adhering to fair market rules and proper commercial practices. And like transactions with unrelated companies, they are based on impartial judgments made in accordance with internal rules etc.

II Status of Other Corporate Governance Structure Including Corporate Management Organization Relating to Decision-Making, Execution and Monitoring for Managerial Purposes

1. Matters concerning the Organizational Structure and Operation of the Organization

Organizational form	Company with Auditors
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[Directors]

Chairman of the Board of Directors	President
Number of Directors	10
Appointment of Outside Directors	No

The reason of adopting current structure

The Company's regulations require the appointment of Company Auditors. Three of four Company Auditors are Outside Company Auditors and two of three Full-time Auditors are Outside Company Auditors. In this way, the Company ensures the full independence of the auditing function. All of the four Auditors take part in Board of Directors Meetings, and the Full-time Auditors share the responsibility of attending all important meetings and committee meetings, enabling them to fully express their opinions. With these arrangements, it was determined that the Company has in place an adequate system for objectively and neutrally overseeing corporate management and ensuring the fairness, soundness and transparency of management. Therefore, the Company considers that the function expected to be performed by outside directors is being adequately fulfilled by the Company Auditors.

[Company Auditors]

Establishment of the Board of Company Auditors	Yes
Number of Company Auditors	4

Status of Coordination between Company Auditors and Accounting Auditors

Company Auditors hold regular meetings with Accounting Auditors four times a year to have the audit plan for the fiscal year confirmed by Accounting Auditors, and to discuss the audit report, the outline of the audit and its results. In addition, Company Auditors make efforts to coordinate with Accounting Auditors by attending discussion meetings and meetings held for other purposes, as necessary, and by being on-site during the audit process.

Status of Coordination between Company Auditors and the Internal Audit Department

Company Auditors and the Internal Audit Department work together by holding monthly meetings concerning the internal audit policy, audit plans and audit results.

Appointment of Outside Company Auditors	Yes
Number of Outside Company Auditors	3

Relationship with the Company (1)

Name	Description	Relationship with the Company (Note*)								
		a	b	c	d	e	f	g	h	i
Satoshi Ito	From other company				○				○	
Minoru Ikeda	Other								○	
Norikatsu Takahashi	Attorney at law								○	

Notes*: Key to "Relationship with the Company"

- a. Is from the parent company
- b. Is from other affiliated company
- c. Is a major shareholder of the relevant company
- d. Concurrently holds the position of Outside Director or Outside Company Auditor of other company
- e. Is an executive director or an executive officer of other company
- f. Is an executive director of a specific related business of the relevant company, or the spouse or a relative within the third degree of an executive officer, etc. or a person to be treated similarly
- g. Receives compensation or other property interests as an executive from the parent company of the relevant company or a subsidiary of such parent company
- h. Has a limited liability agreement with the relevant company
- i. Other

Relationship with the Company (2)

Name	Supplementary Description on the Conforming Item	Reason for Appointment of the Relevant Outside Company Auditor
Satoshi Ito	Holds 100 shares of common stock of the Company.	Mr. Satoshi Ito is an Outside Company Auditor as stipulated under Article 2, Paragraph 16 of the Company Law. The Company expects that Mr. Ito's long experience at a life insurance company and deep insight based on his experience in an industry different from ours will enable him to monitor management from an objective and neutral point of view and contribute to further reinforcement of the audit system and corporate governance of the Company.
Minoru Ikeda	There is no special matter to be stated.	Mr. Minoru Ikeda is an Outside Company Auditor as stipulated under Article 2, Paragraph 16 of the Company Law. The Company expects that Mr. Ikeda's long experience of research and analysis of

Name	Supplementary Description on the Conforming Item	Reason for Appointment of the Relevant Outside Company Auditor
		economic policies and trends and deep understanding of the Japanese economy will enable him to monitor management from an objective and neutral point of view and contribute to further reinforcement of the audit system and corporate governance of the Company.
Norikatsu Takahashi	He has been designated as the independent corporate auditor.	Mr. Norikatsu Takahashi is an Outside Company Auditor as stipulated under Article 2, Paragraph 16 of the Company Law. Although he has experience of working at Mitsubishi Trust and Banking Corporation (current Mitsubishi UFJ Trust and Banking Corporation), which is the Company's fellow subsidiary and major business partner, as an employee from April 1966 to December 1968, since April 1971, he has been working independently as an attorney-at-law specializing in corporate legal practices and general civil cases. Therefore, it is judged that there is no potential conflict of interest with general shareholders. The Company expects that Mr. Takahashi's long experience in corporate law and civil affairs as a lawyer and his deep knowledge of legal affairs will enable him monitor management from the legal point of view while maintaining a fair and neutral position and contribute to further reinforcement of the audit system and corporate governance of the Company.

Other Matters Concerning the Principal Activities of Outside Company Auditors

Outside Company Auditors attended all of the 23 meetings held for fiscal year ended March 31, 2010, consisting of 12 regular meetings and 11 extraordinary meetings of the Board of Directors. In addition, they attended all of the 16 meetings held for the same fiscal year, consisting of 12 regular meetings and four extraordinary meetings of the Board of Company Auditors.

Each member actively participated in the meetings of the Board of Company Auditors, expressing opinions from their independent and objective standpoints.

[Incentives]

Status of implementation of incentive programs for Directors

A stock option program has been introduced.

Supplementary Description to the Relevant Item

Under the program, 200 shares of common stock are granted without exception.

Persons eligible to receive stock option	Internal Directors and employees
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 Supplementary Description to the Relevant Item

For the purposes of elevation of morale of Directors and employees, enhancement of motivation for higher performance and future recruitment and securing of talented personnel.

[Compensation for Directors]

Disclosure measures	Securities Report and Key Note (Business Report)
Status of disclosure	Aggregate amount of compensation of all Directors is disclosed.

 Supplementary Description to the Relevant Item

Compensation for Directors (April 1, 2009 to March 31, 2010)

Aggregate annual compensation for Directors: 320 million yen

[Supporting System for Outside Directors (Outside Company Auditors)]

To support Outside Company Auditors, the staff of Company Auditors' Office perform general tasks related to the audit process and make efforts to share information among the Outside Company Auditors by attending the meetings of the Board of Company Auditors, etc. In addition, they distribute the materials for the meetings of the Board of Directors by one day prior to the meeting, in principle.

2. Matters Concerning the Functions of Execution of Duties, Audit and Monitoring, Appointment and Determination of Compensation, etc.

1. Outline of current framework of management structure

(1) Board of Directors and Directors

For the purposes of accelerating decision-making and securing the effectiveness of mutual monitoring among Directors, the number of Directors on the Board has been reduced to 10. The Board of Directors, with the participation of Company Auditors, discusses and determines important managerial matters including management strategies and plans while maintaining objective and reasonable judgments, and establishes the basic policies for constructing corporate governance and internal control systems. It also monitors and supervises the performance of the Chairman, President & CEO and Executive Officers based on the management plan and basic policies.

The Board Directors is convened once a month in principle, with extraordinary conventions of the Board of Directors occurring from time to time, as necessary.

(2) Board of Company Auditors and Company Auditors

The Board of Company Auditors consists of four Company Auditors including three Outside Company Auditors. The internal Company Auditor worked for the Company as Chief General Manager of Accounting Department from April 1990 to June 2003 and has respectable knowledge in finance and accounting.

The Board of Company Auditors convenes one meeting per month in principle and extraordinary meetings as necessary to receive reports on, discuss and resolve important matters concerning auditing.

To reinforce auditing functions, the Company Auditors' Office has been established. This Office consists of staff members who support Company Auditors in their duties. The independence of staff members assigned to the office is ensured through such measures as prior consultation with the Board of Company Auditors in determining the number of staff to be allocated to the Office and the staff transfer policy.

(3) Executive Officers

The Company adopted the executive officer system in June 2003. The Board of Directors endeavors to accelerate decision-making and execution of duties and to clarify the roles of monitoring and execution by appointing appropriate Executive Officers, establishing a system of segregation of duties, obligations and authorities, and delegating the execution of duties. Eight of the 12 Executive Officers hold the position of Executive Managing Officer, and, additionally, eight out of the 10 Directors concurrently hold the title of Executive Managing Officer.

(4) Executive Officers' Meeting

The Executive Officers' Meeting is participated in by the Executive Managing Officers, the Director assigned to Internal Audit Department, and Company Auditors. Its purpose is to consider and determine important matters concerning the execution of duties delegated by Directors, as well as to conduct prior deliberations of agendas proposed for Board of Directors. The Executive Officers' Meeting is convened three times a month in principle, with extraordinary Executive Officers' meetings held from time to time, as necessary.

(5) Affiliated Companies Coordination Board

The Affiliated Companies Coordination Board is composed of Executive Managing Officers, the Director assigned to Internal Audit Department, representatives of the Group companies, and Company Auditors and discusses important issues concerning management of affiliated companies as well as coordinating, communicating and reporting important issues concerning the execution of duties of the respective affiliated companies. The Affiliated Companies Coordination Board is convened once a month in principle, with extraordinary conventions of the Affiliated Companies Coordination Board occurring from time to time, as necessary.

(6) Committees

(A) Compliance Committee

The Compliance Committee is established by the Board of Directors and consists of three external experts, two internal Directors, with participation of Company Auditors. The Committee deliberates and makes recommendations on items concerning compliance as listed below:

- Items relating to formulation, revision, or abolishment of the ACOM Group Code of Ethics and Code of Conduct
- Important matters concerning improvement of the system and its operation
- Items relating to formulation of basic plans
- Mechanisms to correct major violations, prevent their recurrence and make improvements
- Important matters concerning other compliance activities

The Compliance Committee is convened once a month, in principle, with extraordinary conventions of the Compliance Committee occurring from time to time, as necessary.

(B) Director Evaluation Committee

Compensation and bonuses for Directors and Executive Managing Officers are deliberated and determined by the Board of Directors as per internal rules of compensation and bonus for executives based on the results of evaluations by the Evaluation Committee, consisting of the Chairman, Deputy Chairman, President and Director in charge of Human Resources Department.

(C) Risk Management Committee

The Risk Management Committee comprised of Executive Managing Officers, the Director assigned to Internal Audit Department, and Company Auditors deliberates and determines important issues related to the improvement of the overall risk management system, formulation of important risk management plans and evaluation of significant risks, under the delegation of authority from the Executive Officers' Meeting, and submits and reports to the Executive Officers' Meeting, the Board of Directors, and Board of Company Auditors as necessary.

The Risk Management Committee is convened once in every quarter, in principle, with extraordinary conventions of the Committee occurring from time to time, as necessary.

(D) Financial Information Disclosure Committee

Financial Information Disclosure Committee comprises Executive Managing Officers assigned to the Treasury, Public Relations, Corporate Management, Corporate Planning Departments, as well as chief general managers of related departments and Company Auditors and is empowered by the Executive Officers' Meeting to deliberate and decide on matters relating to the establishment of a financial information disclosure structure and to discuss before the board of directors on financial information etc. that should be disclosed, in order to ensure that financial information is disclosed in accordance with relevant laws, regulations, etc. and in a timely and appropriate manner.

Financial Information Disclosure Committee is convened once in every quarter, in principle, with extraordinary conventions of the Committee occurring from time to time, as necessary.

2. The reason of adopting current structure

Please refer to "The reason of adopting current structure" of "1. Matters concerning the Organizational Structure and Operation of the Organization" in "II Status of Other Corporate Governance Structure Including Corporate Management Organization Relating to Decision-Making, Execution and Monitoring for Managerial Purposes."

3. Status of Internal Audit and Audit by Company Auditors

(1) Internal Audit

The Internal Audit Department, consisting of 18 auditing staff, verifies and evaluates the status of compliance within the business execution sections with the related laws and regulations and the status of internal control efforts. It then makes proposals for improvement measures for problems identified. The Internal Audit Department conducts the risk approach audit process to evaluate the risk management status at the respective organizations based not only on compliance with the rules but also on correct understanding of risks, and periodically reports the results to the Board of Directors and Company Auditors.

In addition, the Internal Audit Department makes improvements to the Group audit system by implementing direct audits of affiliated companies and supporting the audit staff of affiliated companies.

(2) Audit by Company Auditors

Based on the audit policies and audit plans, the Company Auditors conduct audits on the execution of duties by Directors by attending meetings of the Board of Directors and other important meetings and investigating the status of operations and properties, in addition to timely and appropriate provision of advice and recommendations for securing compliance with laws and regulations and corporate ethical standards. Furthermore, in cooperation with Accounting Auditors and the Internal Audit Department, Company Auditors develop an understanding of the status of corporate management and evaluate the status of improvement of the internal control system.

In addition, Company Auditors endeavor to secure the appropriate operation of the Group as a whole by maintaining close coordination with the auditors of affiliated companies and sharing information within the Group.

4. Status of Accounting Audit

- (1) Names of the Certified Public Accountants who executed the accounting audits for the Company, their firm, and number of continuous years of service to the Company:

Designated employee Managing partner: Takuji Akiyama, Deloitte Touche Tohmatsu LLC

Designated employee Managing partner: Tatsuya Hiraki, Deloitte Touche Tohmatsu LLC

Designated employee Managing partner: Koichiro Watanabe, Deloitte Touche Tohmatsu LLC

Notes: • Continuous years of service for the Company are omitted, as they are not more than seven years for all of those listed above.

• The above-mentioned audit corporation implements its own rules prohibiting managing partners from being involved in the accounting audit of the Company over a prescribed period.

- (2) Composition of experts assisting the Accounting Audit for the Company:

4 Certified Public Accountants

8 Assistant certified public accountants, etc.

6 Other staff

- (3) Breakdown of compensation for Auditors

Amounts of compensation, etc. for Accounting Auditors of the Company:

- Amount of compensation, etc. for the duties provided for in Article 2-1 of the Certified Public Accountants Act: 98,000 thousand yen

5. Breakdown of Compensation for Directors

- (1) Directors: Number of payees: 12; Amount paid: 320 million yen

- (2) Company Auditors: Number of payees: 4; Amount paid; 69 million yen

III Status of Implementation of Measures Concerning Shareholders and Other Stakeholders

1. Status of Efforts Made for Vitalization of General Meeting of Shareholders and Facilitation of Exercise of Voting Rights

	Supplementary Description
Fixing the date for the General Meeting of Shareholders by avoiding inconvenient days	The Company fixes the date of the General Meeting of Shareholders for a day several days prior to those of other companies to enable shareholders to attend the meeting.
Exercise of voting rights by the electromagnetic method	The method is intended to improve convenience for shareholders.

2. Status of Investor Relations Activities

	Explanations made by the Representative	Supplementary Description
Financial Results Conference for financial analysts and institutional investors are held on a regular basis.	Yes	The Company holds financial results conference periodically every year for analysts of securities firms and investment institutions, and fund managers. During the conference, the President & CEO personally explains the details of the business results and management plans for fiscal year-end in early May and the second-quarter period in early November. In early August and early February, respectively, the Chief General Manager of Public Relations Department and Chief IR Officer provides explanations of the business results for the first quarter and third quarter (as for the period from April 1, 2009 to March 31, 2010).
Financial Results Conference Calls for foreign investors are held on a regular basis.	Yes	The company holds conference calls for foreign investors when quarterly financial results are disclosed. (as for the period from April 1, 2009 to March 31, 2010).

	Explanations made by the Representative	Supplementary Description
Investor Relations materials are disclosed on the Company website.	Yes	Our website (http://www.acom.co.jp/ir/) contains brief statements of financial results, Data Book and Securities Report for the full-year, interim and quarterly periods in Japanese and English. Business Report is posted in Japanese, while Annual Reports and Semi-Annual Reports can be viewed in English (as for the period from April 1, 2009 to March 31, 2010).
A section/individual has been designated to take charge of investor relations.	–	Public Relations Department engages investor relations activities.

3. Status of Efforts Made to Respect the Stakeholders' Position

	Supplementary Description
Respect for Stakeholders' Position is provided for under the internal rules, etc.	The Company includes “Respecting other people” and “Putting the customer first” under its corporate philosophy. In addition, the ACOM Group’s Code of Ethics refers to the importance of establishing partnerships of trust with all stakeholders, distribution of profit to shareholders and fair transactions with customers, etc.
Formulation of policies for the provision of information to stakeholders	Under the policy of “Promotion of prompt and accurate fair disclosure,” the Company endeavors to maintain and improve transparency of management for the benefit of stakeholders.

IV Basic Policies on the Internal Control System and the Status of Its Improvement

<Basic policies on the construction of the internal control system>

The basic policies on the construction of the internal control system were amended and resolved at the Board of Directors held June 18, 2010, as described below:

In addition, the Company will make efforts to periodically evaluate the status of improvement of the internal control system based on the aforementioned basic policies, take remedial measures as necessary, review the basic policies to respond to changes, etc. in the business environment, and improve the effectiveness of the internal control system.

1. Systems for ensuring compliance with laws and regulations and the Company's Articles of Incorporation in the performance of duties by directors and employees.
 - (1) The Company shall make compliance the highest corporate management priority with regard to corporate management, establish the ACOM Group's Code of Ethics and Code of Conduct, as well as improve its standards concerning compliance and other internal rules, and promote their thorough understanding.
 - (2) The President & CEO shall commit to personally taking the lead in practicing ACOM Group's Code of Ethics and Code of Conduct and serve as a model for the rest of the Company to establish a corporate culture that emphasizes compliance.
 - (3) A committee to address compliance, personnel with across-the-board responsibilities for compliance supervision, a controlling department as well as a department specializing in verification and assistance on compliance in the principal departments shall be respectively established and appointed, together with compliance managers and persons in charge of promoting compliance for the respective departments.
 - (4) Based on the compliance plans for the overall company and by division and department, compliance implementation measures shall be formulated and promoted, and progress shall be monitored.
 - (5) The Company shall endeavor to prevent or at least detect at an early stage and remedy any misconduct by establishing Internal Compliance Consultation Office to deal with any acts that violate or may violate compliance rules, and shall provide protection for any person who reports such acts or otherwise contacts the consultation office.
 - (6) Based on the basic policies against anti-social forces and other related regulations, the Company shall establish a system to secure appropriate operations by cutting off all relations with any anti-social forces uncovered.
 - (7) Based on the Group's basic policies of internal control concerning financial reporting and the relevant regulations, the Company shall secure the accuracy and reliability of financial reporting as well as prepare a disclosure system of financial information by establishing a committee relating to disclosure of financial information.
 - (8) The Company shall establish a department to carry out internal audits and shall secure the independence and expertise of such department, as well as set up an internal audit system based on the regulations on internal audits. Such internal audit department shall verify and evaluate the appropriateness and effectiveness of internal control, reporting the results to the Board of Directors and Company Auditors, and provide information and advice or recommendations to other relevant departments, etc.

2. Systems for retention and management of information relating to the performance of duties by directors
 - (1) Based on the regulations on management of classified information and other related regulations, the Company shall lay down procedures for the management of documents (including electromagnetic records) concerning execution of duties by Directors, appropriately store and manage such documents, and keep them available for inspection, as necessary.
 - (2) For the purpose of maintaining the appropriateness of retention and management of information, the Company shall appoint a manager responsible for information security, and determine the roles of the respective organizations, executives and employees, thus storing and managing the information in an organized and systematic manner, as well as periodically verifying the status of retention and management.
3. Rules and other systems for risk management
 - (1) Based on the regulations concerning risk management, the Company shall establish an appropriate and efficient risk management system.
 - (2) For the purpose of integrated risk management, the Company shall establish a risk management committee, appoint personnel with across-the-board responsibilities for risk management and establish a department handling risk management, assign departments with responsibility for each category of risks, improve such risk management system, and conduct management and operations based on the important risk management policy.
 - (3) The Internal Audit Department responsible for internal auditing shall conduct audits on the status of risk management by the respective departments and report the results to the Board of Directors and Company Auditors.
 - (4) The Company shall endeavor to minimize the potential economic losses and loss of credibility by making all attempts to recognize the existence of risks that can have significant impacts inside and outside the Company, and improve the business continuation and prompt recovery systems.
4. Systems for ensuring the efficient performance of duties by Directors
 - (1) The Company shall formulate management policies and management plans, by which business administration is conducted by the appropriate methods.
 - (2) An Executive Officers' Meeting and relevant committees shall be established to make decisions regarding the performance of duties entrusted by the Board of Directors and prior deliberations on the agendas proposed for Board of Directors.
 - (3) For quicker decision-making and efficient performance of duties, an executive officer system shall be introduced, and segregation of duties by the respective organizations and criteria for decision-making by position shall be laid down under the internal rules.
5. Systems for ensuring the proper operation of the Group comprised of the Company, the parent company and subsidiaries
 - (1) While maintaining its independent status as a publicly held company, the Company shall make efforts to cooperate with the parent company through reporting and discussions on the management control of the Group in accordance with the Regulations for Discussion and Reporting, etc. with the Parent Company, and improve the management control system of the Group in accordance with the Management Control Policies of the Parent Company's Group, etc. to contribute to optimizing the operations of both of the companies' groups.

- (2) The ACOM Group Code of Ethics shall form the basic policy for compliance of the Company's Group, as a whole, and the Company shall support its subsidiaries, etc. (hereinafter, "Affiliated Companies") within the Company's Group in the promotion of compliance based on the Regulations for Compliance and related regulations.
 - (3) Regular meetings with Affiliated Companies and a department engaged in control of the Affiliated Companies shall be established for control of the Affiliated Companies based on the Regulations on Control of the Affiliated Companies while at the same time respecting their independence.
 - (4) Internal Audit Department shall conduct auditing or support auditing of the Affiliated Companies, contributing to the improvement of their internal control systems.
6. Matters regarding employees assisting Company Auditors in the case where Company Auditors require assistants, and the independence of such employees from Directors
- (1) Company Auditors' Office shall be established to assist Company Auditors, to which employees assisting Company Auditors shall be assigned.
 - (2) The number and required qualifications of employees assisting Company Auditors shall be fixed in advance in consultation with the Board of Company Auditors.
 - (3) The employees assisting the Company Auditors shall be engaged in assisting the Company Auditors on a full-time basis, and shall be independent from Directors and not subject to instructions or orders from any other organization.
 - (4) Decisions concerning assignment, personnel change, performance review and disciplinary action regarding the employees assisting Company Auditors shall be determined in advance in consultation with the Board of Company Auditors.
7. Systems of reporting to Company Auditors by Directors and employees and other systems regarding reporting to Company Auditors
- (1) Directors and Chief General Managers of the respective departments shall, based on the laws and the Regulations Concerning Reporting to Company Auditors, immediately report to the Company Auditors any facts that may cause significant damage, etc. to the Company or the Affiliated Companies, and any other matters regarding execution of duties periodically or as necessary.
 - (2) Documents evidencing approval of important matters provided for under the internal rules shall be submitted to Company Auditors for their review immediately after such approval.
 - (3) Company Auditors may, as necessary, request Directors and employees to report any matters other than those listed above.
8. Other systems for ensuring the effective audit by Company Auditors
- (1) Directors shall ensure a system in which Company Auditors can attend meetings of the Board of Directors as well as Executive Officers' Meetings and other important meetings and committees, and have access to the statutory documents stored in the Company and important documents on performance of duties.
 - (2) Directors shall periodically hold a meeting with the Board of Company Auditors to discuss the challenges that the Company faces and the performance of duties, and important issues on auditing, etc., in addition to taking actions regarding any requests that the Board of Company Auditors consider necessary.

- (3) Directors and employees shall respect the provisions of the Regulations for the Board of Company Auditors and the Auditing Policies, etc., and cooperate in any requests by the Company Auditors for investigations and interviews.
- (4) The Internal Audit Department shall, as necessary, establish a cooperative system for information exchange with Company Auditors to contribute to securing effective audits.

<Basic Policies on the Exclusion of Anti-Social Forces and the Status of Improvement>

1. Basic Policies on the Exclusion of Anti-Social Forces

The Company ensures it carries out its business in a way that is both appropriate and safe by clarifying the Code of Conduct on the basic position to be taken against anti-social forces and groups to the effect that “the Company will not succumb to any unjust demands or acts of interference with businesses by anti-social forces such as so-called corporate racketeers and crime syndicates,” and that “the Company will take uncompromising actions against any aforementioned unjust demands, etc. in coordination and cooperation with the relevant departments, and inform immediately the relevant regulatory authorities of such events and enlist their cooperation,” as well as by laying down the basic policy against anti-social forces, which all executives and employees are required to observe.

2. Status of Improvement toward Exclusion of Anti-Social Forces

(1) Establishment of internal rules

The Company has established internal rules providing for the basic matters concerning the improvement and establishment of a system to prevent business with anti-social forces, and actions to be taken.

(2) Control department

In April 2008, the Company designated the Compliance Department as the controlling department regarding actions to be taken against anti-social forces, and to give support to and control the departments that may have contact with anti-social forces.

(3) Coordination with external professional institutions

In addition to notifying police and obtaining legal advice in an emergency, the Company endeavors to reinforce coordination with external professional institutions by participating in the regular meetings of the Council for the Prevention of Specific Violations, of which the Company is a member, to receive guidance from law enforcement authorities, and to provide workshops for practical operation staff.

(4) Collection and management of information

The Company has established a centralized system of collecting, managing and storing in the database information relating to anti-social forces.

(5) Status of formulating manuals for countermeasures

The Company has created manual that provides for specific countermeasures against anti-social forces.

(6) Status of implementation of workshops

To obtain further understanding of the internal rules and manuals, and make sure appropriate actions are taken, e-learning study meetings are conducted at the workplace. In addition, study meetings such as video-assisted training sessions are carried out for staff at the workplace by the department addressing countermeasures against anti-social forces.

Reference: “Diagram of Our Corporate Governance Structure.” Please see the appendix attached to the end of this text.

V Others

1. Matters Concerning Takeover Defense

While the Company has not introduced any special countermeasures against takeovers, it is investigating possible actions to be taken under the current legal system against any M&A that could deteriorate the company properties and shareholder values, etc.

2. Other Matters Concerning Corporate Governance System

There are no other special matters to be stated about our corporate governance system, etc.

[Reference: Corporate Governance and Internal Control System Structure]

