

Last updated on June 24, 2011

ACOM CO., LTD.

Chairman, President & CEO: Shigeyoshi Kinoshita

Contact: Kazuo Fukumoto, Corporate Planning Dept., Telephone: 03-5533-0621

Code Number: 8572

<http://www.acom.co.jp>

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 Policy

The ACOM Group, guided by its lifelong “circle of trust” spirit, maintains an ongoing corporate commitment to respecting other people, putting the customer first, and conducting creative and innovative management. Based on this commitment, we are seeking to deepen mutual trust between our stakeholders and ourselves and thus progress in partnership with society.

In order to meet the expectations of stakeholders and build stronger trust, we will strengthen corporate governance as a key management priority. To this end, we will take steps to enhance the soundness, transparency, and efficiency of our operations and achieve sustained increases in our shareholder value.

We recognize that effective internal control systems are essential to creating an appropriate corporate governance framework. Based on this recognition, we are encouraging all members of our organization to join forces in building internal control systems and assuring their effectiveness, under the leadership of the Chairman, President & CEO.

At the same time, we are constantly evaluating, verifying, and improving the effectiveness of internal control mechanisms already in place.

We introduced a company auditor system in order to achieve the following objectives:

- 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 proper monitoring of the management from an objective and impartial standpoint 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 interests of general shareholders by having independent directors/auditors.

2. Capital Structure

Ratio of shareholding by foreign investors

Less than 10%

[Major 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

Name	Number of Shares Held (shares)	Shareholding Ratio to Total (%)
Maruito Shoten Co., Ltd.	3,873,320	2.42
Kyosuke Kinoshita	3,240,321	2.02
Shigeyoshi Kinoshita	3,220,164	2.01
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)	2,654,660	1.66

Controlling Shareholders (except for the Parent Company)	-
Parent Company	Mitsubishi UFJ Financial Group, Inc. (MUFG) (Listed in Tokyo, Code Number: 8306)

Supplementary Description

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3. Outline of the Company

Stock exchange and section	Tokyo Stock Exchange, First Section
Account settlement	March
Industry	Other financial business
Number of employees (consolidated basis) as of the latest fiscal year end	Not less than 1,000
Net sales (consolidated basis) as of the latest fiscal year end	Between 100 billion yen and less than 1 trillion yen
Number of consolidated subsidiaries as of the latest fiscal year end	Between 10 and less than 50

4. Guidelines for the Protection of Minority Shareholders in Transactions with Controlling Shareholders

Although ACOM engages in transactions with 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.

5. Other Special Circumstances that may Significantly Affect Corporate Governance

Under a business and capital alliance with MUFG and its subsidiary, The Bank of Tokyo-Mitsubishi UFJ, Ltd., ACOM serves as the core company for the MUFG Group's consumer finance business.

In addition, under a contract relating to corporate management, ACOM engages in consultations and makes reports to MUFG concerning important corporate matters. Nevertheless, 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 ACOM's own judgments, and as such a certain level of independence as a listed company is ensured.

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]

Number of Directors in the Articles of Incorporation	12
Term of Directors in the Articles of Incorporation	1 year
Chairman of the Board of Directors	President
Number of Directors	9
Appointment of Outside Directors	No

[Company Auditors]

Establishment of the Board of Company Auditors	Yes
Number of Company Auditors in the Articles of Incorporation	5
Number of Company Auditors	4

Collaboration between Company Auditors, Accounting Auditors and the Internal Audit Department

(A) Collaboration between Company Auditors and Accounting Auditors

Company Auditors hold regular meetings with accounting auditors seven times a year to confirm the accounting auditor's auditing plan for the relevant fiscal year, and receive audit reports and the overview and results of the audit. In addition, the Company promotes collaboration between Company Auditors and accounting auditors by having opinion exchange meetings when necessary, as well as being present at audits.

(B) Collaboration between Company Auditors and the Internal Audit Department

Company Auditors and the Internal Audit Department hold a monthly meeting on internal audit policy, audit plans, and audit results in order to collaborate between them.

Appointment of Outside Company Auditors	Yes
Number of Outside Company Auditors	3
Number of designated Independent Directors/Corporate Auditors in Outside Company Auditors	2

Relationship with the Company (1)

Name	Description	Relationship with the Company (Note*)									
		a	b	c	d	e	f	g	h	i	
Shinichi Yasuda	From other company									○	
Eiji Oshima	From other company									○	
Takashi Doi	From other company									○	

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	Independent Director/Corporate Auditor	Supplementary Description on the Conforming Item	Reason for Appointment of the Relevant Outside Company Auditor
Shinichi Yasuda		There is no special matter to be stated.	- Mr. Shinichi Yasuda is an Outside Company Auditor as stipulated under Article 2, Paragraph 16 of the Company Law. -He has built considerable experience and knowledge through years of duties in the financial industry (i.e. life insurance company), to which the Company belongs. He also served the Company’s subsidiary as full-time Company Auditor. Therefore, the Company believes that he can contribute to further enhancement of the audit system and corporate governance of the Company.
Eiji Oshima	○	There is no special matter to be stated.	- Mr. Eiji Oshima is an Outside Company Auditor as stipulated under Article 2, Paragraph 16 of the Company Law. -With his considerable experience and knowledge gained during his time with Mitsubishi Corporation, as well as his experience as a full-time Auditor at that company, in addition to his international perspective and insights based on long-term experience living and engaging in corporate management overseas, the Company believes that he can contribute to further enhancement of the audit system and corporate governance of the Company.

Name	Independent Director/Corporate Auditor	Supplementary Description on the Conforming Item	Reason for Appointment of the Relevant Outside Company Auditor
			-As he has no potential conflict of interest with general shareholders and meets the independence requirements of the Tokyo Stock Exchange, he has been designated as an independent director/corporate auditor.
Takashi Doi	○	There is no special matter to be stated.	- Mr. Takashi Doi is an Outside Company Auditor as stipulated under Article 2, Paragraph 16 of the Company Law. -With his expert knowledge and experience acquired though years of duties as an attorney-at-law, he is judged as being capable of monitoring corporate management from a legal point of view. Therefore, the Company believes that he can contribute to further enhancement of the audit system and corporate governance of the Company. -As he has no potential conflict of interest with general shareholders and meets the independence requirements of the Tokyo Stock Exchange, he has been designated as an independent director/corporate auditor.

[Independent Director/Corporate Auditor]

Number of Independent Directors/Corporate Auditors	2
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Other Matters Concerning Independent Directors/Corporate Auditors

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[Incentives]

Status of implementation of incentive programs for Directors	No
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Supplementary Description to the Relevant Item

Our first priority is to resume dividends. Therefore, incentive programs are the next below. 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, we concern with introducing incentive programs.

Persons eligible to receive stock option	
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Supplementary Description to the Relevant Item

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[Compensation for Directors]

Status of disclosure (Individual compensation for Directors)	Individual compensation for Directors is not disclosed
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Supplementary Description to the Relevant Item

Compensation for Directors (April 1, 2010 to March 31, 2011)

Aggregate annual compensation for Directors: 249 million yen

Amount of compensation or methods of policy decisions

No

Disclosed Information Regarding Amount of Compensation or Methods of Policy Decisions

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

To support Outside Company Auditors, the staff of Administration for Board of Company Auditors 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.(Outline of Status of System for Corporate Governance)

(1) Outline of current framework of management structure

(A) Board of Directors and Directors

The Company has a reduced-size Board of Directors with nine members in order to speed up decision-making and ensure effective mutual monitoring among directors. In the presence of Company Auditors, the Board decides important business management matters, such as management strategies and planning, and also determines basic policies for building corporate governance and internal control systems. On the basis of these management plans and fundamental policies, the Board monitors the performances of the President & CEO and executive officers. It meets once a month in principle, and more as deemed necessary.

(B) 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 held the positions of Chief General Manager and Officer in charge of departments related to finance and accounting from April 1999 to June 2011 and has respectable knowledge in finance and accounting.

It meets once a month, in principle, and more as deemed necessary, to receive reports concerning important audit-related matters, hold discussions, and pass resolutions.

To upgrade the Company Auditors' capabilities, the Company established the Administration for Board of Company Auditors and assigned persons to assist Company Auditors by providing related support. Decisions regarding their number, appointments and transfers of such persons are made after consultation with the Board of Company Auditors in order to secure independence of these persons.

(C) Executive Officers

The company introduced an executive officer system in June 2003. The Board of Directors appoints executive officers, determines their function, lines of responsibility and authority, and delegates execution of operations to them. In these ways, decision-making and business execution are expedited, while supervision and

execution functions are clearly separated. The Company has 10 executive officers, 7 of whom are in office, and 7 of the 9 members of the Board of Directors serve concurrently as executive officers.

(D) Executive Officers' Meeting

The Executive Officers' Meeting consists of executive officers who serve concurrently as directors in office and the Director in charge of the Internal Auditor Department. In the presence of Company Auditors, the Executive Officers' Meeting discusses and makes decisions on important matters related to the execution of business as delegated by the Board of Directors in accordance with basic policies determined by the Board of Directors, and also deliberates in advance resolutions for proposal to the Board of Directors. The Executive Officers' Meeting assembles three times a month, in principle, and more as deemed necessary.

(E) Affiliated Companies Coordination Board

The Affiliated Companies Coordination Board consists of executive officers who serve concurrently as directors, the Director in charge of the Internal Auditor Department and representatives of ACOM Group companies. In the presence of Company Auditors, the Affiliated Companies Coordination Board discusses important matters concerning the management of affiliated companies, and also coordinates, communicates, and reports on important matters pertaining to the execution of their business. The Board meets once every quarter, and also on the occasion of drawing up a budget, in principle, and more as deemed necessary.

(F) Committees

(a) Compliance Committee

The Compliance Committee, appointed by the Board of Directors, consists of three experts from outside the Company and two ACOM Directors. It discusses and makes recommendations about the following compliance-related matters.

- Items relating to formulation, revision or abolishment of the ACOM Group Code of Ethics and Code of Conduct
- Important items related to establishment and operation of compliance systems
- Items relating to formulation of basic plans
- Items relating to correct major violations, prevent their recurrence and make improvements
- Important items related to other compliance issues

The Compliance Committee meets once two months, or six times a year, in principle, and more as deemed necessary.

(b) Director Evaluation Committee

Compensations and bonuses for directors and executive officers who serve concurrently as directors are subject to evaluation by the Director Evaluation Committee, which consists of the Chairman, Deputy Chairman, President, and officer in charge of human resources department. The Board of Directors passes resolutions based on the results of such evaluations, as well as internal rules covering remuneration and bonuses for directors.

(c) Risk Management Committee

The Risk Management Committee consists of executive officers in offices and the Director in charge of the Internal Auditor Department. In the presence of Company Auditors, based on authority bestowed upon it by the Executive Officers' Meeting, the Committee establishes the Company's risk management approach, formulates basic risk management plans, and discusses and makes decisions on important items related to risk management, such as evaluations of important risks. As necessary, it participates in Executive Officers' Meetings and Board of Directors Meeting and makes proposals and reports.

The Risk Management Committee meets once every quarter, in principle, and more as deemed necessary.

(d) Financial Information Disclosure Committee

The Financial Information Disclosure Committee consists of executive officer who serves concurrently

as director in office that are in charge of the Treasury Department and Corporate Planning Department, and chief general managers of relevant departments. In the presence of Company Auditors, based on authority bestowed upon it by the Executive Officers' Meeting, the Committee discusses and makes decisions on items related to the establishment of the financial disclosure system in order for the disclosure of the financial information to be made in accordance with the relevant laws in a timely and in an appropriate manner. In addition, the Committee conducts prior consultations regarding the financial information to be disclosed before the Board of Directors meeting.

The Financial Information Disclosure Committee meets once every quarter in principle, and more as deemed necessary.

(2) Status of Internal Audit and Audit by Company Auditors

(A) Internal Audit

With auditing staffs of 17 people, the Internal Audit Department verifies, evaluates, and recommends ways to address problems pertaining to compliance status, including observance of relevant laws, internal control initiatives, and other activities of the Company's business execution departments. In addition to ensuring conformity with various rules, the Department obtains an accurate understanding of the risks facing the Company. Based on this understanding, it conducts risk approach audits to evaluate the risk management stance of each relevant entity within the Company, and reports the results of such audits regularly to the Board of Directors and Company Auditors.

In addition, the Internal Audit Department conducts direct audits of affiliated companies in the ACOM Group and provides assistance to auditing staff of such affiliates, thus ensuring establishment of an effective Group auditing system.

(B) Audit by Company Auditors

Based on the Company's auditing policies and auditing plans, Company Auditors attend meetings of the Board of Directors and other important meetings. Through examination of the Company's business and financial situation, Company Auditors audit the execution of business by directors and make appropriate and timely suggestions and recommendations to facilitate establishment of legal compliance and business ethics protocols. In addition, the Company Auditors work together with the accounting auditors and the Internal Audit Department to ensure an accurate grasp of operating status and evaluate the condition of internal control systems.

In addition, the Company Auditors form close relationships with Company Auditors of Group companies to facilitate the sharing of information and ensure appropriate operational behavior throughout the Group.

(3) Status of Accounting Audit

(A) Names of Certified Public Accountants (CPAs) who audit the Company's Accounts, the audit corporation to which they belong, and their years of continuous audit 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

*Since all three auditors have served ACOM for less than seven years, their years of service have been omitted.

*The above audit corporation has voluntarily put mechanisms in place to prevent the managing partners from participating in the auditing of the Company's accounts for longer than a certain period of time.

(B) Breakdown of Team Auditing the Company's Accounts

CPAs: 5 persons

Assistant certified public accountants, etc.: 11 persons

Other staff: 7 persons

(C) 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: 111 million yen

(4) Breakdown of Compensation for Directors

(A) Directors: Number of payees: 12; Amount paid: 249 million yen

(B) Company Auditors: Number of payees: 4; Amount paid; 66 million yen

3. An overview of corporate governance system and reasons for employing such a system

The Company has a Board of Company Auditors. Of the four Company Auditors, three are Outside Company Auditors. In addition, of the three Full-time Company Auditors, two are Outside Company Auditors. These ensure the independence of audits. All Company Auditors attend Board of Directors meetings, and Full-time Company Auditors divide duties to attend important meetings and committee meetings, ensuring a system in which Company Auditors can offer their opinions. Based on the above, the Company believes that an objective and neutral surveillance of the management is conducted, and by ensuring fairness, health, and transparency of the management, the functions expected of Independent Directors are substituted.

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
Early Dispatching Convocation Notice for Ordinary General Meeting of Shareholders	The latest date of Ordinary General Meeting of Shareholders was June 24, 2011. The date of Dispatching Convocation Notice for Ordinary General Meeting of Shareholders was June 3, 2011.
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	Exercising voting rights is available by PC or Mobile Phone through Website.
Providing Convocation Notice (Summary) in English	Convocation Notice in English is disclosed at the Company website.

2. Status of Investor Relations Activities

	Supplementary Description	Explanations made by the Representative
Execution and Disclosure of Disclosure Policy.	-	
Financial Results Conference for financial analysts and institutional investors are held on a regular basis.	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, 2010 to March 31, 2011).	Yes

	Supplementary Description	Explanations made by the Representative
Financial Results Conference Calls for foreign investors are held on a regular basis.	The company holds conference calls for foreign investors when quarterly financial results are disclosed. (as for the period from April 1, 2010 to March 31, 2011).	Yes
Investor Relations materials are disclosed on the Company website.	Our website (http://www.acom.co.jp/ir/) contains brief statements of financial results, Data Book and Securities Report for the full-year and quarterly periods in Japanese and English. Business Report is posted in Japanese, while Annual Reports can be viewed in English (as for the period from April 1, 2010 to March 31, 2011).	
A section/individual has been designated to take charge of investor relations.	Public & Investor Relations Office, Treasury 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

1. Basic stance on internal control system and the development of such a system

The basic policies on the construction of the internal control system were amended and resolved at the Board of Directors held March 22, 2011, 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 in the business environment, etc. and improve the effectiveness of the internal control system.

- (1) System to ensure that execution of duties by the Directors and employees complies with laws, regulations and the Articles of Incorporation of the Company
 - (A) The Company regards compliance as the highest priority in the corporate management, and establishes the ACOM Group Code of Ethics and Code of Conduct, while developing the rules for compliance and various internal rules and making employees fully aware of them.
 - (B) The President & CEO of the Company is committed to taking leadership in acting in accordance with the ACOM Group Code of Ethics and the Code of Conduct in order to create a corporate culture that emphasizes compliance.
 - (C) The Company establishes a committee on compliance, personnel and departments with across-the-board responsibilities for compliance, and a department which exclusively conducts verifications and assistance for compliance in major departments. In addition, personnel responsible for promoting compliance and personnel in charge of compliance are placed in each department.
 - (D) The Company formulates and promotes compliance initiatives based on company-wide and division/department-specific compliance plans, while managing its progress.
 - (E) The Company establishes contact points for reporting and inquiry by employees concerning the act of violations or possible violations of compliance in order to prevent, detect early and correct misconduct. Based on the rules for protecting whistleblowers, the Company will make efforts to protect employees who made such report or advice.
 - (F) In accordance with the basic policy and related rules with respect to antisocial forces, the Company develops a system to prevent relations with antisocial forces and ensure appropriate business operations.
 - (G) In accordance with the Group's basic policy and related rules for the internal control over financial reporting, the Company develops a system to ensure the accuracy and reliability of financial reporting. The Company also establishes a system to disclose financial information by setting up a committee on disclosure of financial information.
 - (H) The Company establishes an internal audit department and ensures its independence and specialties. It also develops an internal audit system in accordance with the rules on internal audit. The internal audit department verifies and evaluates the appropriateness and effectiveness of internal controls, reports the results to the Board of Directors and Company Auditors, and provides information, advice and recommendations to related departments.

- (2) System concerning storage and management of information on the execution of duties by Directors
- (A) In accordance with the rules for confidential information management and related rules, the Company establishes procedures for managing documents related to the execution of duties by the Directors (including electromagnetic records), stores and manages such information in an appropriate manner, ensuring that such documents are available for inspection by directors when necessary.
 - (B) In order to maintain the appropriateness of information storage and management, the Company appoints personnel responsible for information security management, determines the roles of respective organizations, officers and employees, and stores and manages information in a systematic manner. The Company regularly verifies the status of information storage and management.
- (3) Rules concerning loss risk management and other systems
- (A) The Company establishes a system for proper and efficient risk management in accordance with the rules for risk management.
 - (B) In order to manage risks in an integrated manner, the Company establishes a committee on risk management, and personnel and departments with across-the-board responsibilities for risk management. It also establishes departments for risk management by risk category, develops systems for managing each risk, and implements management and operations based on the intensive risk management measures.
 - (C) The internal audit department audits the status of risk management in each department and reports the results to the Board of Directors and Company Auditors.
 - (D) The Company establishes a system to minimize economic losses and loss of credibility and to continue or swiftly resume business operations in cases where risks that may have significant internal or external impacts arise.
- (4) System to ensure efficient execution of duties by the Directors
- (A) The Company formulates management policies and management plans and carries out business management based on appropriate methods.
 - (B) The Company establishes the Executive Officer's Meeting and various committees so as to conduct decision making concerning the execution of duties delegated from the Board of Directors and prior deliberations on matters to be discussed in the meetings of the Board of the Directors.
 - (C) The Company introduces an executive officer system and, based on internal rules, determines the division of duties by each organization and the criteria of decision making for each position so as to make decisions more quickly and execute duties more efficiently.
- (5) System to ensure the propriety of business carried out by the group consisting of the Company, parent company and subsidiaries
- (A) While maintaining independence as a publicly-traded company, the Company coordinates with the parent company through reporting or consultation on the Group's business management in accordance with the rules for consultation and reporting with the parent company. The Company also establishes the Group's business management systems in accordance with the parent company's policy for its group management so as to contribute to the appropriate business operations of both of the groups.
 - (B) The Company makes the ACOM Group Code of Ethics the entire Group's basic compliance policy. In accordance with the rules for compliance and related rules, the Company provides assistance for the

- promotion of compliance to subsidiaries, etc. within the Group (hereinafter referred to as “Affiliated Companies”).
- (C) The Company holds regular meetings with Affiliated Companies, establishes departments for managing Affiliated Companies, and manages and supports Affiliated Companies in accordance with the rules for management of Affiliated Companies, while respecting the independence of each company.
 - (D) The internal audit department implements audits of Affiliated Companies or supports their audits and contributes to development of the internal control systems of Affiliated Companies.
- (6) Matters concerning employees to assist Company Auditors’ duties and matters concerning their independence from Directors, in the case where Company Auditors request appointment of such employees
- (A) Administration for Board of Company Auditors will be established to assist in the Company Auditors’ duties, and assistants for auditors will be appointed.
 - (B) The number of employees to assist Company Auditors and their requirements will be decided after discussion with the Board of Company Auditors.
 - (C) Employees to assist Company Auditors will be exclusively in charge of work that assists Company Auditors, and will not be subject to instructions and orders from the Directors and other operational organizations.
 - (D) Assignment, transfer, evaluation and disciplinary action of employees who assist Company Auditors will be decided after discussion with the Board of Company Auditors.
- (7) System for reporting to Company Auditors by the Directors and employees, and other systems for reporting to Company Auditors
- (A) In compliance with laws and regulations and the rules regarding reporting to Company Auditors, the Directors and chief general managers of each department will promptly report to Company Auditors such matters as facts which may significantly damage the Company and Affiliated Companies. In addition, they will report matters concerning the execution of duties periodically and when necessary.
 - (B) Documents used in the decision making provided for in internal rules will be made available for inspection by Company Auditors promptly after making the decision.
 - (C) Company Auditors may ask Directors and employees to report matters other than the above-mentioned ones if needed.
- (8) Other systems to ensure that audits are effectively implemented by Company Auditors
- (A) Directors will ensure a system that allows Company Auditors to: attend the Board of Directors meetings, the Executive Officers’ meetings, and other important meetings and committees; and have access to the important documents concerning the execution of duties, such as statutory documents.
 - (B) Directors will have regular meetings with the Board of Company Auditors to exchange opinions on issues with which the company should deal, issues concerning the execution of duties, and primary issues on audits. They will also take actions regarding the matters that the Board of Company Auditors deems necessary to be addressed.
 - (C) Directors and employees will follow the rules of the Board of Company Auditors and other rules, including audit policies, and cooperate with Company Auditors for inspection and consultation requests.
 - (D) The internal audit department will establish a cooperation system for exchanging information with Company Auditors as needed in order to contribute to ensuring the effectiveness of audits.

2. Basic stance 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 that 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

(A) 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.

(B) 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.

(C) 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.

(D) 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.

(E) Status of formulating manuals for countermeasures

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

(F) 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.

V Others

1. Introducing Takeover Defense

Introducing Takeover Defense	No
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Supplementary Description to the Relevant Item

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

[Outline of Timely Disclosure System]

(1) Our basic policies for timely disclosure

The Company discloses information based on Financial Instruments and Exchange Act and timely disclosure rules, etc. established by Tokyo Stock Exchange. The Company has made an effort for strict information management under following basic policies.

Management and disclosure methods for important information are executed by internal rules of the Company such as “Regulations on prevention of insider trading” and “Manual for insider information management.”

- Based on procedures stipulated by Tokyo Stock Exchange, the Company discloses information in timely and proper manner regarding “Information on business, operation and financial results of listed company that may have an extremely material influence on investors' investment decisions,” which comes from Financial Instruments and Exchange Act and timely disclosure rules, etc. established by Tokyo Stock Exchange.
- Considering the influence on investors' investment decisions and in order to respond to shareholders and investors' expectations, the Company discloses information in timely and proper manner by internal rule and procedures even if the information is not applicable to “Timely disclosure of corporate information,” established by Tokyo Stock Exchange.

(2) Status of internal framework regarding timely disclosure

(A) Decision making

For the matters decided by Board of Directors and Executive Officer's Meeting, directors, Corporate Planning Dept., Treasury Dept. (Public & Investor Relations Office), General Affairs Dept. and related divisions engage in consultation under the timely disclosure rules. The Company makes judgments on importance of information and necessity of timely disclosure.

(B) Significant events

We have established a structure to have the chief general manager of the General Affairs Dept. be immediately informed from each department, including the subsidiaries, when material information arises in the Company or its subsidiaries.

Directors in charge, Corporate Planning Dept., Treasury Dept. (Public & Investor Relations Office), General Affairs Dept., and related departments hold conferences based on the timely disclosure policy, etc. Significance of the events and the necessity of announcement are evaluated and then reported to Board of Directors and Executive Officer's Meeting.

(C) Information regarding financial results

Information regarding financial results are reviewed in advance by “Financial Information Disclosure Committee” where managing executive officer in charge of Treasury Dept. is appointed as the chairman. It is disclosed in timely and proper manner after approval from Board of Directors.

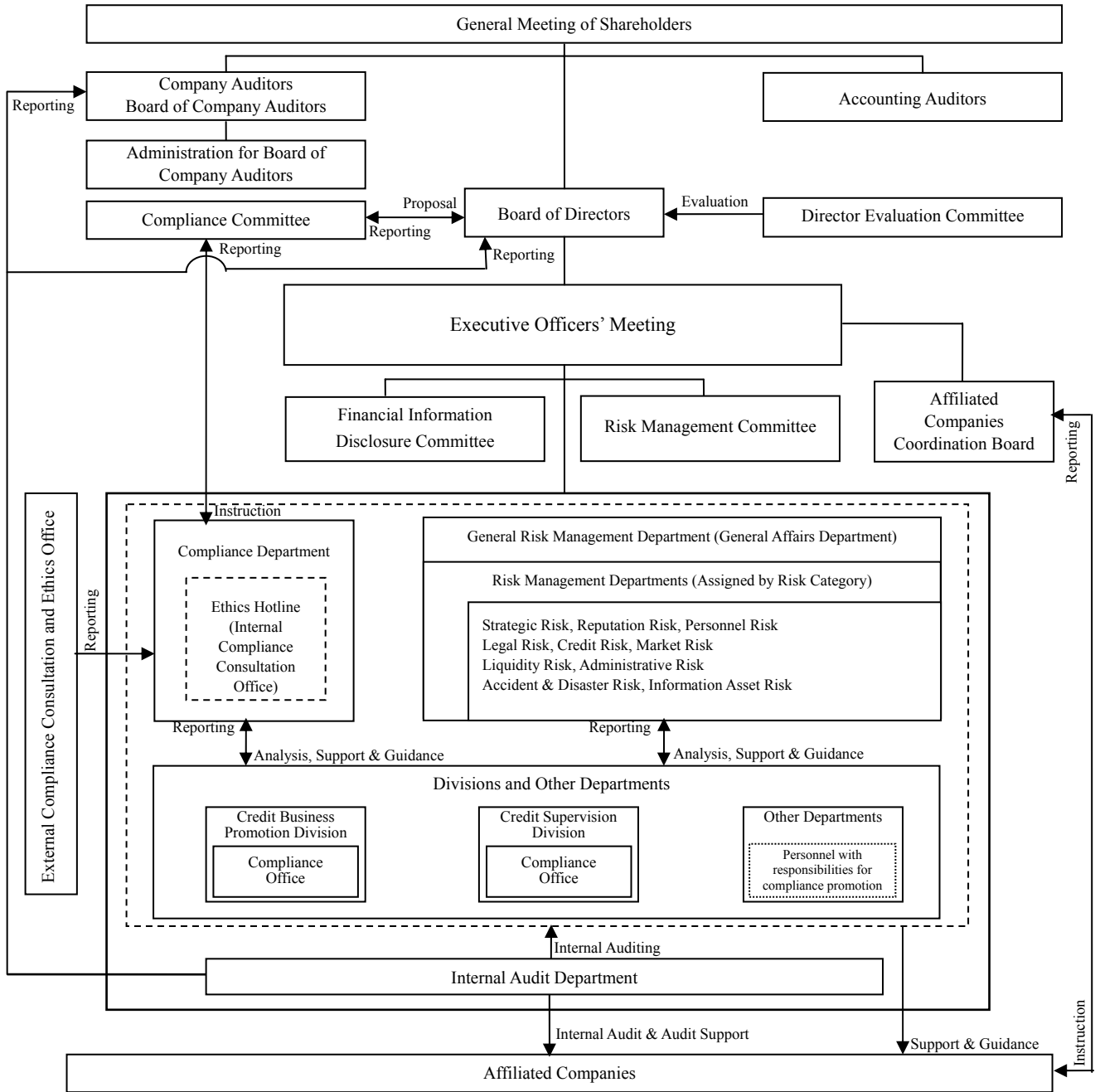
(3) Timely Disclosure Methods

Important information, which is applicable to timely disclosure rules established by Tokyo Stock Exchange, is disclosed through TDnet provided by Tokyo Stock Exchange. After the information is disclosed, the Company promptly distributes the information to the press and posts it on the Company’s website to ensure timely and fair disclosure.

(4) Monitoring for framework of timely disclosure

To ensure that framework of timely disclosure is appropriately working, the company monitors the framework. Internal audit division periodically executes internal audit, and Company Auditors execute the monitoring from their independent and objective standpoints.

[Reference: Corporate Governance and Internal Control System Structure]



Internal System of Timely Disclosure for the Company Information

