

[Basic Policy of Establishing ACOM Group's Internal Control System]

1. System to ensure that execution of duties by the Directors and employees of the Company and its subsidiaries complies with laws, regulations and the Articles of Incorporation of the Company
  - (1) 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.
  - (2) The Company and its subsidiaries establish a committee on compliance, etc. and place officers in charge of compliance and departments with across-the-board responsibilities for compliance.
  - (3) The Company and its subsidiaries formulate compliance plans, while managing their progress.
  - (4) The Company and its subsidiaries establish contact points for reporting and inquiry by employees concerning the act of violations or possible violations of compliance.
  - (5) In accordance with the ACOM Group Code of Ethics and the Company Group's basic policy with respect to antisocial forces, the Company and its subsidiaries develops a system to prevent relations with antisocial forces and ensure appropriate business operations.
  - (6) The Company and its subsidiaries are aware that the financial services provided by the Company and its subsidiaries may be used for financial crimes such as money laundering and terrorist financing, and will strive to detect and prevent financial crimes.
  - (7) In accordance with the Company Group's basic policy 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 Financial Information Disclosure Committee.
  - (8) 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 to ensure the soundness and appropriateness of its business activities. In order to contribute to the development of internal controls at the subsidiaries of the Company, an internal audit department of the Company audits the subsidiaries and assists the subsidiaries with their audits.
  
2. System concerning storage and management of information on the execution of duties by Directors of the Company
  - (1) 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.
  - (2) 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 of the Company and its subsidiaries
  - (1) The Company and its subsidiaries establish a system for proper and efficient risk management in accordance with the rules for risk management.
  - (2) In order to manage risks in an integrated manner, the Company and its subsidiaries establish a committee on risk management, etc. and officers and responsible departments in charge of risk management.
  - (3) The Company and its subsidiaries establish 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 of the Company and its subsidiaries
  - (1) The Company formulates management policies and management plans of the Company Group and carries out business management based on appropriate methods.
  - (2) The Board of Directors delegates decision-making on matters related to the execution of business operations other than matters to be resolved at the Board of Directors to President and Director. The Company establishes the Executive Officer's Meeting presided over by President and Director to discuss and decide on delegated matters.
  - (3) The Company and its subsidiaries, based on internal rules, etc., determine 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
  - (1) While maintaining independence as a publicly-traded company, the Company coordinates with the parent company 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.
  - (2) The Company establishes departments for managing its subsidiaries, and manages its subsidiaries in accordance with the rules for management of subsidiaries, etc. The subsidiaries of the Company report important matters related to management and business execution to the Executive Officers' Meeting of the Company.
  
6. System for employees to assist the Audit & Supervisory Committee of the Company in the execution of their duties
  - (1) The Company will establish the Administration for Audit & Supervisory Committee to assist in the Audit &

Supervisory Committee's duties, and assign assistants for the Audit & Supervisory Committee.

- (2) The number of employees to assist the Audit & Supervisory Committee and their requirements will be decided after discussion with the Audit & Supervisory Committee.
- (3) Employees to assist the Audit & Supervisory Committee will be exclusively in charge of work that assists the Audit & Supervisory Committee, and will not be subject to instructions and orders from the Directors (except for Directors serving as Members of Audit & Supervisory Committee) and other operational organizations.
- (4) Assignment, transfer, evaluation and disciplinary action of employees who assist the Audit & Supervisory Committee will be decided after discussion with the Audit & Supervisory Committee.

#### 7. System for reporting to the Audit & Supervisory Committee of the Company

The Company reports the following matters at the Company and its subsidiaries to the Audit & Supervisory Committee. In addition, the Company will not treat any person who has reported to the Audit & Supervisory Committee unfavorably as a reprisal to such reports.

- (i) Matters which may significantly damage the company
- (ii) Material breach of laws and regulations, etc.
- (iii) Implementation status and results of an internal audit
- (iv) Status of whistleblowing and the details of cases reported
- (v) Other matters that the Audit & Supervisory Committee ask the company to report

#### 8. Other systems to ensure that audits are effectively implemented by the Audit & Supervisory Committee of the Company

- (1) The Company will ensure a system that allows Members of Audit & Supervisory Committee selected by the Audit & Supervisory Committee to: attend 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.
- (2) President and Director will have regular meetings with Members of Audit & Supervisory Committee selected by the Audit & Supervisory Committee 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 Audit & Supervisory Committee deems necessary to be addressed.
- (3) Directors (except for Directors serving as Members of Audit & Supervisory Committee) and employees will respect the rules of the Audit & Supervisory Committee and other rules, including audit policies, and will cooperate with the Audit & Supervisory Committee for inspection and consultation requests.
- (4) The internal audit department will establish a cooperation system with the Audit & Supervisory Committee in order to contribute to ensuring the effectiveness of audits by the Audit & Supervisory Committee.
- (5) In cases where the internal audit department detects breaches of laws and regulations and possible breaches

(whether the act is breach of internal regulations or not) which may involve Directors (excluding Directors serving as Members of Audit & Supervisory Committee), the internal audit department will report to Audit & Supervisory Committee before reporting to Directors (excluding Directors serving as Members of Audit & Supervisory Committee).

- (6) The Audit & Supervisory Committee specifies a budget for expenses acknowledged by the Audit & Supervisory Committee to be necessary for the execution of their duties. Any expenses expended urgently or extraordinarily beyond the budget can be claimed after the event.

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