

IV. Information on the Filing Company

1. Information on the Company's Shares

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued
Common stock	5,321,974,000
Total	5,321,974,000

2) Total number of shares issued

Class	As of the end of the current fiscal year (March 31, 2019)	As of the submission date (June 21, 2019)	Stock exchange on which the Company is listed	Description
Common stock	1,596,282,800	1,596,282,800	First Section of the Tokyo Stock Exchange	These are the Company's standard shares with no restricted rights. One unit of stock constitutes 100 common shares.
Total	1,596,282,800	1,596,282,800	—	—

(2) Status of the stock acquisition rights

1) Details of stock option plans

Not applicable

2) Rights plans

Not applicable

3) Other stock acquisition rights

Not applicable

(3) Status in the exercise of bonds with stock acquisition rights with exercise price amendment

Not applicable

(4) Changes in the total number of shares issued and the amount of capital stock and other

(Millions of yen, unless otherwise stated)

Date	Changes in the total number of shares issued (Thousands of shares)	Balance of the total number of shares issued (Thousands of shares)	Changes in capital stock	Balance of capital stock	Changes in legal capital surplus	Balance of legal capital surplus
October 1, 2013	1,436,654	1,596,282	—	63,832	—	72,322

(Note) Pursuant to the resolution at the Board of Directors meeting held on June 21, 2013, the Company executed a stock split where each share of its common stock was split into 10 shares with October 1, 2013, as the effective date.

(5) Status of shareholders

As of March 31, 2019

Classification	Status of shares (the number of minimum unit is 100 shares)								Status of shares below unit (Shares)
	Government and local municipalities	Japanese financial institutions and insurance companies	Financial instruments business operators	Other Japanese corporations	Foreign corporations, etc.		Individuals, others	Total	
					Others	Individuals			
Number of shareholders	—	29	41	109	403	6	11,201	11,789	—
Number of shares held (Units)	—	1,338,341	36,926	12,035,680	736,394	346	1,814,980	15,962,667	16,100
Ratio of shares held (%)	—	8.38	0.23	75.40	4.62	0.00	11.37	100.00	—

- (Notes) 1. 29,668,592 shares of treasury stocks include 296,685 units in the “Individuals, others” box and 92 shares in the “Status of shares below unit” box.
2. The number of shares in the “Other Japanese corporations” box includes 30 units of shares under the name of Japan Securities Depository Center, Inc.

(6) Major shareholders

As of March 31, 2019

Name	Address	Number of shares held (Thousands of shares)	Percentage of shares held to the total number of issued shares (excluding shares of treasury stock) (%)
Mitsubishi UFJ Financial Group, Inc.	2-7-1 Marunouchi, Chiyoda-ku, Tokyo	588,723	37.57
Maruito Shokusan Co., Ltd.	1-2-3 Minato-machi, Naniwa-ku, Osaka City	273,467	17.45
Maruito Co., Ltd.	1-2-3 Minato-machi, Naniwa-ku, Osaka City	125,533	8.01
Foundation of Kinoshita Memorial Enterprise	6-2-14 Motomachi-dori, Chuo-ku, Kobe City	92,192	5.88
Maruito Shoten Co., Ltd.	1-2-3 Minato-machi, Naniwa-ku, Osaka City	38,733	2.47
General Incorporated Association Kyoekai Trust Account	1-16-7 Ginza, Chuo-ku, Tokyo	32,598	2.08
Mitsubishi UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan, Ltd.)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	31,572	2.01
Shigeyoshi Kinoshita	Minato-ku, Tokyo	30,007	1.91
NOBUKA CO., LTD.	1-2-3 Minato-machi, Naniwa-ku, Osaka City	30,000	1.91
Japan Trustee Services Bank, Ltd. (Trust account 4)	1-8-11 Harumi, Chuo-ku, Tokyo	27,059	1.72
Total	—	1,269,888	81.05

- (Notes) 1. In addition to the shares above, the Company owns 29,668 thousand shares of treasury stocks.
2. In “Number of shares held,” figures less than one thousand are truncated.

(7) Status of voting rights

1) Issued shares

As of March 31, 2019

Classification	Number of shares (Shares)	Number of voting rights (Units)	Details
Shares without voting rights	—	—	—
Shares with limited voting rights (treasury stock, etc.)	—	—	—
Shares with limited voting rights (others)	—	—	—
Shares with full voting rights (treasury stock, etc.)	(Treasury stock) Common stock 29,668,500	—	—
Shares with full voting rights (others)	Common stock 1,566,598,200	15,665,982	—
Shares less than one unit	Common stock 16,100	—	—
Total number of shares issued	1,596,282,800	—	—
Total voting rights held by all shareholders	—	15,665,982	—

- (Notes) 1. The number of shares of common stock in the “Shares with full voting rights (others)” box includes 3,000 shares (30 units of voting rights) held by Japan Securities Depository Center, Inc.
2. The number of shares of common stock in the “Shares less than one unit” box includes 92 shares of treasury stock held by the Company.

2) Treasury stock, etc.

As of March 31, 2019

Shareholder	Address of shareholder	Number of shares held under own name (Shares)	Number of shares held under the names of others (Shares)	Total (Shares)	Percentage of shares held to the total number of issued shares (%)
(Treasury stock) ACOM CO., LTD.	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	29,668,500	—	29,668,500	1.85
Total	—	29,668,500	—	29,668,500	1.85

2. Status of Acquisition of Treasury Stock, etc.
 Class of stocks, etc.: Common stock

(1) Status of the acquisition of treasury stock resolved at shareholders' meetings
 Not applicable

(2) Status of the acquisition of treasury stock resolved at the meetings of the Board of Directors
 Not applicable

(3) Details of the acquisition of treasury stock not based on the resolutions of shareholders' meetings or the meetings of the Board of Directors
 Not applicable

(4) Status of the disposition and holding of acquired treasury stock

Category	Current fiscal year		Current term	
	Number of shares (shares)	Total amount disposed (Thousands of yen)	Number of shares (shares)	Total amount disposed (Thousands of yen)
Acquired treasury stock for which subscribers were solicited	—	—	—	—
Acquired treasury stock that was disposed of	—	—	—	—
Treasury stock transferred due to merger, stock exchange or corporate separation	—	—	—	—
Others	—	—	—	—
Number of shares of treasury stock held	29,668,592	—	29,668,592	—

(Note) “The number of shares of treasury stock held” during the current term does not include the number of shares acquired for purchase of shares less than one unit from June 1, 2019, to the submission date of the Securities Report.

3. Basic Policy on Dividends

With regard to the Company's policy on dividends, we make it a basic policy to ensure stable and continuous profit distribution to the shareholders, taking into consideration the Company's business performance and the shareholders' equity as well as the business environment surrounding the Company.

We basically pay dividends twice a year: an interim dividend and a year-end dividend. The amount of interim dividend is decided by the Board of Directors, and that of year-end dividend is decided by the general meeting of shareholders.

With regard to the year-end dividend for the current fiscal year, we set the payment at ¥1.00, as stated in the "Financial Report (*Kessan Tanshin*)" released on May 14, 2019.

With regard to dividends for the next fiscal year, the annual dividend per share will be ¥4.00 per share, including the interim dividend of ¥2.00 per share and the year-end dividend of ¥2.00 per share.

The Group is committed to unified vigorous progress for the achievement of its long-term stable growth in the future.

The Company intends to use its internal reserves to enhance its financial base.

The Company stipulates in its Articles of Incorporation that it may distribute an interim dividend.

(Note) Dividends whose record date falls in the current fiscal year are as follows:

Date of resolution	Total amount of dividends	Dividends per share
Resolution at the Board of Directors meeting held on November 1, 2018	1,566 million yen	1.00 yen
Resolution at the General Meeting of Shareholders held on June 21, 2019	1,566 million yen	1.00 yen

4. Corporate Governance

(1) Overview of Corporate Governance

1) Basic Policy on Corporate Governance

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.

2) Corporate Governance Structure

(i) An overview of corporate governance structure and reasons for employing said structure

The Company is a company with an Audit & Supervisory Committee and aims to enable swift decision-making and enhance the Board of Directors’ supervisory functions by significantly delegating decision-making on material business executions to directors from the Board of Directors. The Board of Directors, in turn, performs thorough monitoring and other measures on delegated matters.

The Company aims to improve the transparency and objectivity of its management by having an Audit & Supervisory Committee composed mainly of outside directors conduct audit and supervisory functions.

The organs installed by the Company are as follows:

(A) Board of Directors

The Board of Directors of the Company consists of nine members: Chairman, President & CEO Shigeyoshi Kinoshita who chairs the Board, Directors Kaoru Wachi, Masataka Kinoshita, Teruyuki Sagehashi, Tomomi Uchida and Naoki Hori, and Members of Audit & Supervisory Committee Tatsuya Ito (Outside Director), Kazuo Fukumoto and Masahide Ishikawa (Outside Director).

The Company has concluded a limited liability agreement with each of the four non-executive Directors (two of whom are Outside Directors), which limits the liability for damage under Article 423, Paragraph 1, of the Companies Act to the extent of the amount stipulated in the law, in accordance with the provision of Article 427, Paragraph 1, of the Act.

The Board deliberates and decides important business management matters, such as management strategies and business planning, and basic policies for building corporate governance and internal control systems, while ensuring objective and rational judgment. Furthermore, the Board 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, and monitors and supervises the execution of duties by thorough monitoring and other measures on delegated matters.

It meets at least once every quarter, in principle, and more as deemed necessary.

(B) Audit & Supervisory Committee

The Audit & Supervisory Committee consists of three members: Tatsuya Ito (Outside Director) who chairs the committee, Kazuo Fukumoto and Masahide Ishikawa (Outside Director).

It meets regularly to receive reports concerning important audit-related matters, hold discussions, and pass resolutions.

To support the Audit & Supervisory Committee’s duties, the Company established “the Administration for Audit & Supervisory Committee” and assigned persons to assist its duties. 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. Assignment, transfer, evaluation and disciplinary action of such employees are decided after consultation with the Audit & Supervisory Committee.

(C) Committees

(a) Appointment and Remuneration Committee

The Appointment and Remuneration Committee consists of six members: Chairman, President & CEO Shigeyoshi Kinoshita who chairs the committee, Representative Directors Kaoru Wachi and Masataka Kinoshita, and Members of Audit & Supervisory Committee Tatsuya Ito (Outside Director), Kazuo Fukumoto and Masahide Ishikawa (Outside Director).

The Appointment and Remuneration Committee reviews and proposes the appointment of candidates and remuneration for Directors (excluding Directors serving as Members of Audit & Supervisory Committee) for resolution at the Board of Directors Meeting. The Committee also checks management and the status of training for candidates for management and provides an overview of the same to the Board of Directors.

The Appointment and Remuneration Committee meets twice a year, in principle, and more as deemed necessary.

(b) Compliance Committee

The Compliance Committee consists of five members: an expert from outside the Company Tatsuzo Honma who chairs the committee, experts from outside the Company Mitsuhiro Umezu and Tan Mitchell, and Representative Directors Shigeyoshi Kinoshita and Kaoru Wachi.

In the presence of Members of Audit & Supervisory Committee, it discusses and, as necessary, makes recommendations to the Board of Directors 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 the correction of major violations, actions for improvement and recurrence prevention measures; and
- Important items related to other compliance issues.

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

(c) Financial Information Disclosure Committee

The Financial Information Disclosure Committee consists of twelve members: an executive officer who concurrently serve as director in charge of Treasury Department Nobuyoshi Matsutani who chairs the committee, executive officers who concurrently serve as directors in charge of the relevant departments, Teruyuki Sagehashi, Tomomi Uchida, Makoto Kondo and Masataka Kinoshita, and chief general managers in charge of the relevant departments, Akifumi Kinoshita, Takashi Okamoto, Masamitsu Iwamura, Akihide Izumi, Takashi Kiribuchi, Masahiko Machida and Daishi Haraguchi.

In the presence of Members of Audit & Supervisory Committee, the Committee deliberates in advance the items related to the improvement of the financial disclosure system and the financial information to be disclosed for resolution at the Board of Directors Meeting, in order for the disclosure of the financial information and internal control of financial reports to be made in accordance with the relevant laws in a timely and in an appropriate manner.

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

(d) Risk Committee

The Risk Committee consists of seven members: Deputy Chairman Kaoru Wachi who chairs the committee, Representative Directors Shigeyoshi Kinoshita and Masataka Kinoshita, and Members of Audit & Supervisory Committee Tatsuya Ito (Outside Director), Kazuo Fukumoto and Masahide Ishikawa (Outside Director), and an executive officer who concurrently serve as director in charge of Corporate Risk Management Department Makoto Kondo.

The Risk Committee discusses important items related to risk management and makes proposals and reports to the Board of Directors as deemed necessary. The Committee also monitors the status of risk management and other matters and reports the results to the Board of Directors.

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

(D) Executive Officers' Meeting

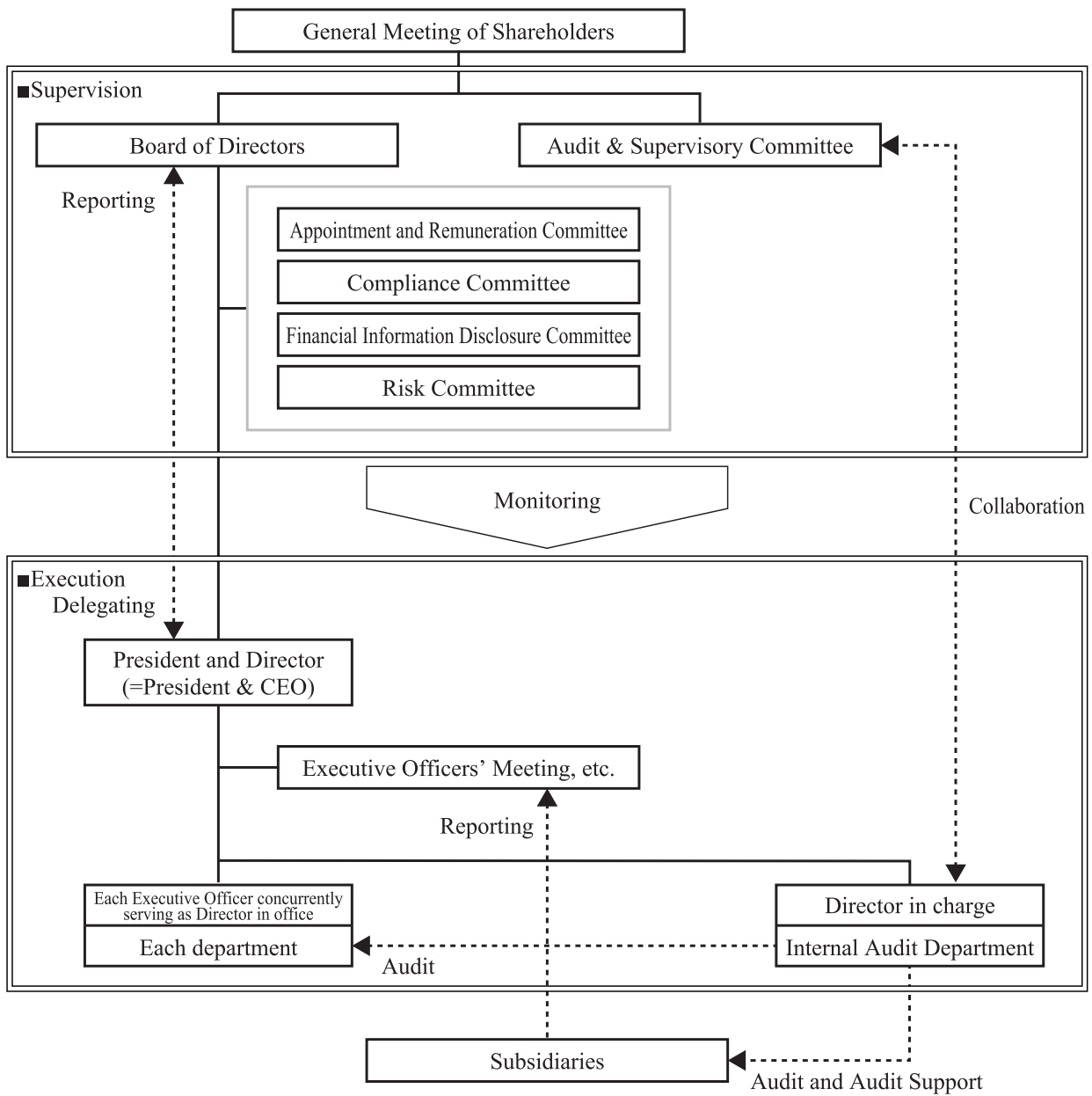
The Executive Officers' Meeting consists of ten members: Chairman, President & CEO Shigeyoshi Kinoshita who chairs the committee, Representative Directors Kaoru Wachi and Masataka Kinoshita, executive officers who serve concurrently as directors Teruyuki Sagehashi, Tomomi Uchida, Nobuyoshi Matsutani, Makoto Kondo, Yasuhiro Kamura, Masaru Kuroda and Michihito Onodera.

In the presence of Members of Audit & Supervisory Committee, the Executive Officers' Meeting discusses and makes decisions related to the execution of important business operations delegated by the Board of Directors to the President and Director, and deliberates management policies and management plans in advance for resolution at the Board of Directors Meeting in accordance with basic policies determined by the Board of Directors.

The Executive Officers' Meeting assembles three times a month, in principle, and more as deemed necessary.

(ii) Corporate governance structure and internal control system structure

(As of June 21, 2019)



(iii) Other corporate governance related matters

(A) Basic stance on internal control system and the improvement of such system

The Company resolved as described below to improve its internal control system to ensure the appropriateness of its business activities, in accordance with Article 399-13, Paragraph 1, Item 1-(ii) and Item 1-(iii) of the Companies Act, as well as Article 110-4 of the Enforcement Regulations of the Companies Act.

The Company strives to periodically evaluate the status of improvement of the internal control system, take remedial measures as necessary, review the system to respond to changes in the business environment, etc. and improve the effectiveness of the internal control system.

[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 develops a system to prevent relations with antisocial forces and ensure appropriate business operations.
- (6) 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.
- (7) 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 establishes 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 are 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 are not 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 are 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 ensures 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 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 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 respect the rules of the Audit & Supervisory Committee and other rules, including audit policies, and cooperate with the Audit & Supervisory Committee for inspection and consultation requests.
- (4) The internal audit department establishes a cooperation system with the Audit & Supervisory Committee in order to contribute to ensuring the effectiveness of audits by the Audit & Supervisory Committee.
- (5) 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.

(B) Development of risk management system

As the management environment surrounding the Company changes, risks to be managed are becoming more complex and diverse. Under such circumstance, the Company recognizes that one of the most important tasks of the management is to enhance and strengthen the Company's risk management system in order to fully recognize risks, maintain the soundness of management, and stably secure profitability and growth.

The Company has established the Risk Committee to comprehensively control risks and clarifies basic matters concerning risk management such as risks to be managed and departments and sections in charge of risk management in the Risk Management Regulations, while comprehensively controlling and uniformly managing potential risks arising in execution of operations at the Corporate Risk Management Department, which comprehensively controls risks, in order to further enhance and strengthen the Company's risk management system.

In addition, with respect to management for information assets, such as personal information, the Company, in compliance with its information security management regulations, implements a variety of counter-measures, such as appropriate safety management measures, against potential risks, and strives to secure information security organically and systematically by appointing information security management officers, and deciding the roles of each organization and each manager and employee.

3) Number of Directors and Resolution Requirement for Election of Directors

The Articles of Incorporation stipulate that the number of Directors (excluding Directors serving as Members of Audit & Supervisory Committee) shall be ten or less and that the number of Directors serving as Members of Audit & Supervisory Committee shall be five or less.

The Articles of Incorporation stipulates that voting on resolutions for election of directors shall take place under the presence of shareholders who represent one-third or more of total voting rights, and the majority of the votes of those shareholders and those which are not contingent upon cumulative votes shall be the requisite for adoption of the resolution.

4) Purchase of Treasury Stock

Pursuant to Article 165, Paragraph 2 of the Companies Act, the Company has included in its Articles of Incorporation a clause allowing purchase of its own shares via the market, subject to a resolution of the Board of Directors. Such inclusion was made to permit flexible share buybacks according to the Company's business and financial conditions and other circumstances.

5) Liability Exemption for Directors

To ensure that directors can adequately carry out the duties they are entrusted with, pursuant to Article 426, Paragraph 1 of the Companies Act, a provision has been included in the Articles of Incorporation to allow the exemption of Directors (including former Directors), by decision of the Board of Directors and within the limits allowed by the law, from liability resulting from dereliction of duty.

6) Interim Dividend

Pursuant to Article 454, Paragraph 5 of the Companies Act, the Company may, by a resolution of the Board of Directors, pay interim dividends each year with September 30 as the base date.

7) Special Resolutions at the General Meeting of Shareholders

For purpose of maintaining smooth operation of the General Meeting of Shareholders, the Articles of Incorporation stipulates that special resolutions pursuant to Article 309, Paragraph 2 of the Companies Act, shall be passed if at least two-thirds of voting rights are cast in favor, if shareholders representing at least one-third of eligible votes are present.

(2) Directors and Company Auditors

1) List of Directors and Company Auditors

Male: 9, Female: – (Ratio of females to Directors and Company Auditors: –%)

Title and position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Chairman, President & CEO	Shigeyoshi Kinoshita	April 14, 1949	April 1973 April 1978 December 1980 February 1983 May 1984 August 1986 June 1988 October 1991 October 1992 October 1996 June 2000 June 2003 June 2010	Joined Marubeni Corporation Joined Japan Consumer Finance Co., Ltd. Joined the Company Director and Chief General Manager, General Affairs Dept. of the Company Director and Chief General Manager, Accounting Dept. of the Company Managing Director of the Company Managing Director and Head of Business Promotion Division of the Company Representative and Senior Managing Director of the Company Representative and Senior Managing Director, and Head of the Loan Sales Division of the Company Representative Director and Deputy President of the Company Representative Director and President of the Company President and Chief Executive Officer of the Company (to present) Chairman and President of the Company (to present)	(Note) 2	30,007

Title and position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Deputy Chairman In Charge of: Compliance Dept. and Internal Audit Dept.	Kaoru Wachi	December 9, 1955	April 1978	Joined The Mitsubishi Trust and Banking Corporation	(Note) 2	10
			April 2002	General Manager, Osaka Pension Business Division of The Mitsubishi Trust and Banking Corporation		
			May 2003	General Manager, Trust Business Division of The Bank of Tokyo-Mitsubishi, Ltd.		
			March 2004	General Manager, Trust Assets Planning Division of The Mitsubishi Trust and Banking Corporation		
			April 2004	General Manager, Asset Management and Administration Planning Div. of Mitsubishi Tokyo Financial Group, Inc.		
			June 2005	Executive Officer and General Manager, Asset Management and Administration Planning Div. of Mitsubishi Tokyo Financial Group, Inc.		
			June 2005	Executive Officer and General Manager, Trust Assets Planning Division of The Mitsubishi Trust and Banking Corporation		
			October 2005	Executive Officer and General Manager, Asset Management and Administration Planning Div. of Mitsubishi UFJ Financial Group, Inc.		
			October 2005	Executive Officer and General Manager, Trust Assets Planning Division of Mitsubishi UFJ Trust and Banking Corporation		
			June 2008	Director of Mitsubishi UFJ Financial Group, Inc.		
			June 2008	Managing Director of Mitsubishi UFJ Trust and Banking Corporation		
			June 2010	Senior Managing Director of Mitsubishi UFJ Trust and Banking Corporation		
			June 2011	Managing Officer and General Manager, Trust Assets Business Group of Mitsubishi UFJ Financial Group, Inc.		
			June 2012	Director and Deputy President of Mitsubishi UFJ Trust and Banking Corporation		
			June 2013	Representative Director and President of M.U. Trust Sougou Kanri Co., Ltd.		
June 2014	Representative Director, President of The Master Trust Bank of Japan, Ltd.					
June 2017	Deputy Chairman of the Company (to present)					

Title and position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Deputy President and Deputy CEO In charge of: Corporate Planning Dept., Human Resources Dept. and System Development & Administration Division	Masataka Kinoshita	September 19, 1977	September 2005	Joined the Company	(Note) 2	10,203
			October 2009	General Manager, Credit Supervision Division of the Company		
			January 2010	General Manager, Corporate Planning Dept. of the Company		
			April 2010	General Manager, Guarantee Business Dept. of the Company		
			April 2012	General Manager, Business Promotion Dept. of the Company		
			April 2013	Chief General Manager, Business Planning Dept. of the Company		
			April 2014	Executive Officer and Chief General Manager, Business Planning Dept. of the Company		
			June 2014	Executive Managing Officer, Deputy Head of Credit Business Promotion Division and Chief General Manager, Business Planning Dept. of the Company		
			April 2015	Executive Managing Officer and Deputy Head of Credit Business Promotion Division of the Company		
			June 2015	Managing Director of the Company		
			June 2015	Executive Managing Officer and Head of Credit Business Promotion Division of the Company		
June 2016	Executive Managing Officer of the Company					
June 2017	Deputy President of the Company (to present)					
June 2017	Deputy Chief Executive Officer of the Company (to present)					

Title and position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Senior Managing Director and Senior Executive Managing Officer In charge of: Finance Dept. and PR & IR Office	Teruyuki Sagehashi	October 27, 1955	December 1981	Joined the Company	(Note) 2	4
			April 2002	General Manager, Corporate Management Dept. of the Company		
			June 2003	Chief General Manager, Human Resources Dept. of the Company		
			June 2004	General Manager, Internal Audit Dept. of the Company		
			April 2005	General Manager, Internal Audit Dept. of the Company		
			June 2005	Chief General Manager, Internal Audit Dept. of the Company		
			October 2005	Chief General Manager, Operation Risk Management Dept. of the Company		
			April 2007	Chief General Manager, Business Process Planning Dept. of the Company		
			April 2008	Executive Officer and Chief General Manager, Business Process Planning Dept. of the Company		
			April 2010	Executive Officer and Chief General Manager, System Dept. of the Company		
			June 2012	Executive Managing Officer and Chief General Manager, System Development & Administration Dept. of the Company		
			April 2014	Executive Managing Officer of the Company		
			June 2015	Managing Director of the Company		
June 2017	Senior Managing Director of the Company (to present)					
June 2017	Senior Executive Managing Officer of the Company (to present)					

Title and position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Managing Director and Executive Managing Officer Head of Credit Supervision Division In charge of: General Affairs Dept., Credit Supervision Dept. I, Credit Supervision Dept. II and Compliance for Credit Supervision Office Chief General Manager of Credit Supervision Dept. II	Tomomi Uchida	December 27, 1961	October 1982	Joined the Company	(Note) 2	1
			April 2003	General Manager, Business Promotion Dept. III of the Company		
			October 2005	General Manager, Business Promotion Dept. II of the Company		
			April 2007	Chief General Manager, Credit Business Management Dept. of the Company		
			December 2007	Chief General Manager, Marketing Dept. of the Company		
			October 2008	Head of East Japan Branch of the Company		
			April 2011	Chief General Manager, Business Promotion Dept. of the Company		
			April 2013	Executive Officer and Chief General Manager, Business Promotion Dept. of the Company		
			June 2015	Executive Managing Officer, Deputy Head of Credit Business Promotion Division, and Chief General Manager, Business Promotion Dept. of the Company		
			April 2016	Executive Managing Officer and Deputy Head of Credit Business Promotion Division of the Company		
			June 2016	Executive Managing Officer and Head of Credit Business Promotion Division of the Company		
June 2018	Executive Managing Officer, Head of Credit Supervision Division, and Chief General Manager, Credit Supervision Dept. I of the Company					
October 2018	Executive Managing Officer, Head of Credit Supervision Division, and Chief General Manager, Credit Supervision Dept. II of the Company (to present)					
June 2019	Managing Director of the Company (to present)					

Title and position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Director	Naoki Hori	January 27, 1961	April 1983 May 2010 May 2010 June 2010 June 2010 May 2012 May 2012 May 2013 May 2016 June 2016 May 2017 June 2017 April 2018 May 2018 June 2018 April 2019	<p>Joined The Sanwa Bank, Ltd. General Manager, Corporate Business Planning Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>General Manager, Corporate Business Planning Division, General Manager, Trust Business Planning Division (Special Mission), Mitsubishi UFJ Financial Group, Inc.</p> <p>Executive Officer and General Manager, Corporate Business Planning Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Executive Officer and General Manager, Corporate Business Planning Division, General Manager, Trust Business Planning Division (Special Mission), Mitsubishi UFJ Financial Group, Inc.</p> <p>Executive Officer and General Manager, Corporate Banking Business Promotion Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Executive Officer and General Manager, Corporate Banking Business Division, Mitsubishi UFJ Financial Group, Inc.</p> <p>Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc.</p> <p>Managing Director (representative director), The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Senior Managing Director (representative director), The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Member of the Board of Directors, Senior Managing Executive Officer (representative of the Board of directors), The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Member of the Board of Directors, Senior Managing Executive Officer (representative of the Board of directors), MUFG Bank, Ltd.</p> <p>Senior Managing Corporate Executive, Mitsubishi UFJ Financial Group, Inc. (to present)</p> <p>Director of the Company (to present)</p> <p>Member of the Board of Directors, Deputy President (representative of the Board of directors), MUFG Bank, Ltd. (to present)</p>	(Note) 2	—

Title and position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Director serving as Member of Audit & Supervisory Committee (Full-time)	Tatsuya Ito	February 10, 1958	<p>April 1981 October 1999</p> <p>March 2001</p> <p>March 2002</p> <p>March 2003</p> <p>March 2005</p> <p>July 2006</p> <p>April 2007</p> <p>February 2008</p> <p>October 2008</p> <p>July 2010</p> <p>July 2010</p> <p>July 2012</p> <p>March 2013</p> <p>June 2015</p> <p>June 2017</p>	<p>Joined Japan Development Bank Section Chief, Commerce & Logistics Department of Development Bank of Japan (DBJ)</p> <p>Section Chief, Environment & Energy Department of DBJ</p> <p>Deputy Manager, Environment & Energy Department of DBJ</p> <p>Deputy Manager, Kansai Branch of DBJ</p> <p>Deputy Manager, Environment & Energy Department of DBJ</p> <p>Deputy Manager, Manufacturing & Technology Department of DBJ</p> <p>Planning Counselor, Legal and Compliance Department of DBJ</p> <p>Registered as an attorney-at-law (Dai-ichi Tokyo Bar Association) (to present)</p> <p>Planning Counselor, Legal Affairs & Compliance Department of Development Bank of Japan Inc. (DBJI)</p> <p>Temporary transfer to OKUNO & PARTNERS</p> <p>Joined OKUNO & PARTNERS</p> <p>Planning Counselor, Legal Affairs & Compliance Department of DBJI</p> <p>Councilor, Legal Affairs & Compliance Department of DBJI</p> <p>Outside Company Auditor (Full-time) of the Company</p> <p>Director serving as Member of Audit & Supervisory Committee (Full-time) of the Company (to present)</p>	(Note) 3	—
Director serving as Member of Audit & Supervisory Committee (Full-time)	Kazuo Fukumoto	February 27, 1958	<p>March 1980</p> <p>April 2002</p> <p>June 2003</p> <p>October 2005</p> <p>April 2007</p> <p>June 2012</p> <p>June 2013</p> <p>June 2015</p> <p>June 2017</p>	<p>Joined the Company</p> <p>General Manager, Corporate Management Dept. of the Company</p> <p>Chief General Manager, Corporate Management Dept. of the Company</p> <p>Executive Officer and Chief General Manager, Corporate Management Dept. of the Company</p> <p>Executive Officer and Chief General Manager, Corporate Planning Dept. of the Company</p> <p>Executive Managing Officer and Head of Credit Business Promotion Division of the Company</p> <p>Managing Director of the Company</p> <p>Executive Managing Officer of the Company</p> <p>Director serving as Member of Audit & Supervisory Committee (Full-time) of the Company (to present)</p>	(Note) 3	10

Title and position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Director serving as Member of Audit & Supervisory Committee (Full-time)	Masahide Ishikawa	March 15, 1956	April 1978	Joined Meiji Mutual Life Insurance Company	(Note) 3	—
			April 2002	General Manager, Financial Affairs Department, Investment Division of Meiji Mutual Life Insurance Company		
			January 2004	General Manager, Investment Planning & Research Department of Meiji Yasuda Life Insurance Company		
			April 2005	Managing Director and Managing Operating Officer of Meiji Dresdner Asset Management Ltd.		
			April 2007	General Manager, Credit Analysis & Investment Risk Management Department of Meiji Yasuda Life Insurance Company		
			July 2007	Operating Officer and General Manager, Credit Analysis & Investment Risk Management Department of Meiji Yasuda Life Insurance Company		
			April 2009	Operating Officer and Chief General Manager, Nagoya Marketing Headquarters of Meiji Yasuda Life Insurance Company		
			April 2010	Managing Operating Officer and Chief General Manager, Nagoya Marketing Headquarters of Meiji Yasuda Life Insurance Company		
			April 2011	Managing Operating Officer of Meiji Yasuda Life Insurance Company		
			April 2013	Representative Director and President of Meiji Yasuda Asset Management Company Ltd.		
			July 2014	Vice Chairman of Japan Investment Advisers Association		
			July 2017	Vice Chairman of Japan Investment Advisers Association		
			April 2018	Representative Director and Chairman of the Board of Meiji Yasuda Asset Management Company Ltd.		
June 2019	Director serving as Member of Audit & Supervisory Committee (Full-time) of the Company (to present)					
Total						40,235

- (Notes) 1. Directors serving as Members of Audit & Supervisory Committee, Tatsuya Ito and Masahide Ishikawa are all Outside Directors.
2. The term of office for Directors (excluding Directors serving as Members of Audit & Supervisory Committee) is from the end of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2019, to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2020.
3. The term of office for Directors serving as Members of Audit & Supervisory Committee is from the end of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2019, to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2021.
4. Representative Director and Deputy President Masataka Kinoshita is a biological son of Chairman and President Shigeyoshi Kinoshita.

5. We have an executive officer system in order to establish corporate structure to quickly and accurately respond to issues of management by expanding the scope of corporate governance, strengthened function of the Board of Directors, separating decision making from business execution, and enforcing the function of audit.

Executive officers who are not Directors as of June 21, 2019, are as follows:

Title	Name	Position
Executive Managing Officer	Nobuyoshi Matsutani	· In charge of Treasury Dept. · Vice in charge of Compliance Dept.
Executive Managing Officer	Makoto Kondo	· In charge of Business Process Management Dept. and Corporate Risk Management Dept.
Executive Managing Officer	Yasuhiro Kamura	· Head of Credit Business Promotion Division · In charge of Business Planning Dept., Business Promotion Dept., East Japan Business Promotion Dept., West Japan Business Promotion Dept. and Compliance for Credit Business Promotion Office
Executive Managing Officer	Masaru Kuroda	· In charge of Overseas Business Dept.
Executive Managing Officer	Michihito Onodera	· In charge of Guarantee Business Dept. · Chief General Manager of Guarantee Business Dept.
Executive Officer	Tomoo Shikanoya	· Chief General Manager of System Development & Administration Division
Executive Officer	Masayuki Sone	· Chief General Manager of West Japan Business Promotion Dept.
Executive Officer	Takashi Kiribuchi	· Chief General Manager of Corporate Planning Dept.
Executive Officer	Akihiro Kiyooka	· Corporate Planning Dept. (Special Mission)
Executive Officer	Yasuhide Doi	· Chief General Manager of Business Process Management Dept.
Executive Officer	Masashi Yoshiba	· Chief General Manager of Compliance Dept.
Executive Officer	Hidehiko Shibata	· Chief General Manager of East Japan Business Promotion Dept.
Executive Officer	Yuji Kinoshita	· Chief General Manager of Business Promotion Dept.
Executive Officer	Masahiko Machida	· Chief General Manager of Internal Audit Dept.

6. After the Japan Consumer Finance Inc. changed its company name to NSK Guarantee Inc. on April 1, 1980, ACOM CO., LTD. absorbed it on March 1, 1992.
7. Shares below one thousand shares have been truncated.

8. In preparation for the contingency that the number of Directors serving as Members of Audit & Supervisory Committee falls below the required number stipulated in laws and ordinances, the Company has appointed a Substitute Director serving as an Audit & Supervisory Committee Member as stipulated under the provisions in Article 329, Paragraph 3 of the Companies Act. Career summary of the Substitute Director serving as Audit & Supervisory Committee Member is as follows.

Name	Date of birth	Career summary		Number of shares of the Company held (Thousands)
Hitoshi Shimbo	July 10, 1952	April 1983	Appointed Prosecutor, the Tokyo District Public Prosecutor's Office	—
		April 1990	Assistant Judge, Tokyo District Court	
		April 1993	Prosecutor, the Tokyo District Public Prosecutor's Office	
		June 1995	Registered as an attorney-at-law (Daini Tokyo Bar Association) (to present)	
		June 1995	Joined Nozomi Sogo Attorneys at Law (to present)	
		March 2009	Outside Company Auditor, EMCOM Holdings Co., Ltd.	
		April 2012	Managing Director, Kanto Federation of Bar Associations	
		April 2012	Vice President, Daini Tokyo Bar Association	
		April 2012	Managing Director, Japan Federation of Bar Associations	
		April 2013	Mediator, Nuclear Damage Compensation Dispute Resolution Centre (to present)	
June 2015	Outside Director of the Company			

2) Outside Directors

The Company has two Outside Directors. Their relationships with the Company are as shown in the chart below.

With respect to the standards for selecting candidates for independent outside directors, the Company places emphasis on how the candidates satisfy the standards regarding the independency of independent directors stipulated by the Tokyo Stock Exchange and whether or not the candidates have extensive experience, deep insight, and advanced expertise.

Name of Outside Director	Relations with the Company
Tatsuya Ito	<ul style="list-style-type: none"> - No special interests in the Company - He has garnered rich experience and knowledge centered around financial practice and corporate legal affairs through years of duty in the financial industry, the industry to which the Company belongs. He also has experience as an attorney-at-law. Therefore, the Company believes that its supervisory functions will be further reinforced by reflecting his strength in the management 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.
Masahide Ishikawa	<ul style="list-style-type: none"> - No special interests in the Company - He has a wealth of knowledge and experience acquired in the finance industry over many years, as well as achievements as a corporate manager. He has also served as Vice Chairman of the Japan Investment Advisers Association twice in total, and thus has wide-ranging insight. Therefore, the Company believes that he can supervise and provide appropriate advice for the management of the Company from an external viewpoint based on his knowledge and experience. - 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.

(3) Status of Audits

1) Internal Audits and Audits by the Audit & Supervisory Committee

(i) Internal Audits

With an auditing staff of nineteen 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 the Audit & Supervisory Committee.

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

(ii) Audits by the Audit & Supervisory Committee

Based on the Audit & Supervisory Committee's auditing policies and auditing plans, the Members of the Audit & Supervisory Committee attend the Executive Officers' Meetings and other important meetings and committees. Through examination of the Company's business and financial situation, the Audit & Supervisory Committee audits the execution of business by Directors (excluding Directors serving as Members of Audit & Supervisory Committee) and makes appropriate and timely suggestions and recommendations to facilitate establishment of legal compliance and business ethics protocols. In addition, the Audit & Supervisory Committee works together with the accounting auditors and the Internal Audit Department to ensure an accurate grasp of operating status and monitors and verifies the condition of internal control systems.

The Audit & Supervisory Committee endeavors to share information in the Group through active communications with the directors and company auditors of the subsidiaries.

A Member of Audit & Supervisory Committee Kazuo Fukumoto has abundant knowledge about financial and accounting affairs with his experience of having served as Chief General Manager of the corporate planning and administration and accounting departments and Executive Officer of the Company, as well as Director in charge of accounting department after his assumption of office.

(iii) Collaboration between the Audit & Supervisory Committee and Accounting Auditors

The Audit & Supervisory Committee confirms the accounting auditors' auditing plan, and receives audit reports and the overview and results of the audit. In addition, the Company promotes collaboration between the Audit & Supervisory Committee and the Accounting Auditors by having opinion exchange meetings when necessary, as well as being present at audits.

(iv) Collaboration between the Audit & Supervisory Committee and the Internal Audit Department

The Internal Audit Department has established a system for collaborating with the Audit & Supervisory Committee by reporting to the Audit & Supervisory Committee on the implementation status and results of internal audits, etc., in addition to consultation between the Audit & Supervisory Committee and the Internal Audit Department on audit plans in advance.

2) Status of Accounting Audits

(i) 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: Taiji Suzuki, Deloitte Touche Tohmatsu LLC

Designated employee, managing partner: Kunikazu Awashima, Deloitte Touche Tohmatsu LLC

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

*The abovementioned audit corporation has 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.

(ii) Breakdown of team auditing the Company's accounts

CPAs: 13 persons

Assistant certified public accountants, etc.: 7 persons

Other staffs:

19 persons

(iii) Reasons for selecting Certified Public Accountants

Policies set forth by the Company prescribe that if the Audit & Supervisory Committee determines that the accounting auditor falls under the provisions specified in each item of Article 340, Paragraph 1, of the Companies Act, the Audit & Supervisory Committee shall dismiss the accounting auditor conditional upon its unanimous approval, and if the Audit & Supervisory Committee determines that dismissal or non-reappointment of the accounting auditor is appropriate mainly including the fact that the accounting auditor has difficulty in execution of duties, the Audit & Supervisory Committee shall decide the contents of proposal for the General Meeting of Shareholders to dismiss or not to reappoint the accounting auditor. In accordance with these policies, the Audit & Supervisory Committee has examined the suitability of an accounting auditor mainly from a viewpoint of independence and auditing quality, and has judged that it is appropriate to reappoint the accounting auditor as a result.

(iv) Evaluation of Certified Public Accountants and details of the evaluation

The Audit & Supervisory Committee has set the items for appropriately evaluating an accounting auditor and evaluates the accounting auditor by obtaining the required materials and receiving reports from directors, the relevant internal departments and offices, and the accounting auditor on the details of activities, etc. of the accounting auditor.

3) Details of Compensation for Auditors

(i) Details of Compensation for Certified Public Accountants

Category	Prior fiscal year		Current fiscal year	
	Compensation in accordance with audit certification (Thousands of yen)	Compensation in accordance with non-audit certification (Thousands of yen)	Compensation in accordance with audit certification (Thousands of yen)	Compensation in accordance with non-audit certification (Thousands of yen)
The Filing Company	115,000	1,100	125,000	1,100
Consolidated subsidiaries	23,500	—	23,500	—
Total	138,500	1,100	148,500	1,100

* Details of non-audit work

(Prior fiscal year)

The Company entrusted certified public accountants with the preparation of a comfort letter, which are considered services other than the services prescribed in Article 2, Paragraph 1 of the Certified Public Accountant Act and paid compensation to them.

(Current fiscal year)

The Company entrusted certified public accountants with the preparation of a comfort letter, which are considered services other than the services prescribed in Article 2, Paragraph 1 of the Certified Public Accountant Act and paid compensation to them.

(ii) Details of compensation (excluding (i)) for the same network as Certified Public Accountants

Category	Prior fiscal year		Current fiscal year	
	Compensation in accordance with audit certification (Thousands of yen)	Compensation in accordance with non-audit certification (Thousands of yen)	Compensation in accordance with audit certification (Thousands of yen)	Compensation in accordance with non-audit certification (Thousands of yen)
The Filing Company	3,632	2,400	3,974	2,400
Consolidated subsidiaries	17,099	646	18,332	—
Total	20,731	3,046	22,307	2,400

* Details of non-audit work
(Prior fiscal year)

The Company entrusted the same network as certified public accountants with the tax advisory works, which are considered services other than the services prescribed in Article 2, Paragraph 1 of the Certified Public Accountant Act, and paid compensation to them. In addition, some consolidated subsidiaries entrusted the same network as certified public accountants with research works for the application of establishing a company, which are considered services other than the services prescribed in Article 2, Paragraph 1 of the Certified Public Accountant Act, and paid compensation to them.

(Current fiscal year)

The Company entrusted the same network as certified public accountants with the tax advisory works, which are considered services other than the services prescribed in Article 2, Paragraph 1 of the Certified Public Accountant Act, and paid compensation to them.

(iii) Details of remuneration for other important audit certification
Not applicable

(iv) Policies concerning auditing remuneration
Not applicable

(v) Reasons for the agreement by the Audit & Supervisory Committee on the proposed compensation payable to Accounting Auditors

The Audit & Supervisory Committee agreed to the amount of compensation to the accounting auditor, as it decided that such amount was reasonable based on the examination thereof, following the analysis and evaluation on the results of accounting audit carried out in the prior fiscal year by the accounting auditor, as well as the verification of the audit plan for the current fiscal year and the basis for calculating the estimated compensation, etc.

(4) Compensation to Directors and Company Auditors

1) Matters concerning the policy for the decision on the amounts of compensation to Directors and Company Auditors or the calculation method thereof

The amount of compensation payable to Directors (excluding Directors serving as Members of Audit & Supervisory Committee) is reviewed and proposed at the Appointment and Remuneration Committee and determined at the Board of Directors in consideration of business results and other factors, within the total amount of compensation resolved at the meeting of shareholders. The amount of compensation payable to Members of Audit & Supervisory Committee is determined at consultation with Members of Audit & Supervisory Committee in consideration of their duties and responsibilities, within the total amount of compensation resolved at the meeting of shareholders. The Company newly introduced performance-linked compensation based on single-year performance for compensation to full-time Directors (excluding Directors serving as Members of Audit & Supervisory Committee) from the fiscal year ending March 31, 2020.

It was resolved that compensation to Directors (excluding Directors serving as Members of Audit & Supervisory Committee) per year shall be no more than 400 million yen (excluding the portion of employee's salary paid to Directors who concurrently serve as employees) at the 40th Ordinary General Meeting of Shareholders held on June 22, 2017. It was also resolved that compensation to Directors serving as Members of Audit & Supervisory Committee per year shall be no more than 100 million yen at the said Ordinary General Meeting of Shareholders.

The final decision of specific amount of compensation to Directors (excluding Directors serving as Members of Audit & Supervisory Committee) is entrusted to Chairman, President & CEO Shigeyoshi Kinoshita by resolution at the Board of Directors Meeting based on the result of meetings of the Appointment and Remuneration Committee.

For the composition of the Appointment and Remuneration Committee and the Audit & Supervisory Committee and details of the committees' activities, please see (a) Appointment and Remuneration Committee in 4. Corporate Governance, (1) Overview of Corporate Governance, 2) Corporate Governance Structure, (i) An overview of corporate governance structure and reasons for employing said structure, (C) Committees, and (B) Audit & Supervisory Committee.

2) Total amount of compensations by categories for the Filing Company, total amount of compensations by type, and the number of paid officers

Category	Total amount (Millions of yen)	Total amount of compensations by type (Millions of yen)			Number of Persons
		Fixed compensation	Performance- linked compensation	Retirement benefits	
Directors (excluding Audit & Supervisory Committee Members and Outside Directors)	139	139	—	—	7
Audit & Supervisory Committee Members (excluding Outside Directors)	19	19	—	—	1
Outside Directors and Outside Company Auditors	37	37	—	—	3
Total	196	196	—	—	11

(Notes) 1. There are no employee-directors.

2. "Number of persons" represents the cumulative number of officers who received compensation during the current fiscal year.

3) Total amount of consolidated compensations by Filing Company's officers

This is omitted as none of officers of the Filing Company received aggregated consolidated compensations of 100 million yen and above.

(5) Status of securities held by the Company

1) Criteria and basic stance of classification of investment securities

For classification between investment securities held for pure investment purposes and investment securities held for other than pure investment purposes, the Company does not hold any investment securities held for other than pure investment purposes and does not have a plan to hold them in the future.

2) Investment securities held for other than pure investment purposes
Not applicable

3) Investment securities held for pure investment purposes

Classification	Current fiscal year		Prior fiscal year	
	Number of names (Name)	Value in balance sheet (Millions of yen)	Number of names (Name)	Value in balance sheet (Millions of yen)
Non-listed securities	22	821	24	827
Securities other than the above	2	0	1	0

Classification	Current fiscal year		
	Total dividend received (Millions of yen)	Total gain or loss on sale (Millions of yen)	Total valuation gain or loss (Millions of yen)
Non-listed securities	15	3	(Note)
Securities other than the above	—	0	0

(Note) “Total valuation gain or loss” is not shown for non-listed securities, since they have no market value and it is considered extremely difficult to obtain the value of such securities.

4) Investment securities, of which holding purpose has been changed from pure investment to other than pure investment
Not applicable

5) Investment securities, of which holding purpose has been changed from other than pure investment to pure investment
Not applicable