

## 1. Compliance System:

1-1. Compliance activities shall be promoted by CSR unit together with CO's appointed per each department as well as from outside the Company as follows.

## Internal CO's

CSR unit	Mr. Yosuke Sasaki ( Unit Manager )	
Sales Dept. 1	Mr. Atomu Kosaka	Ms. Kayo Murakami
Sales Dept. 2	Mr. Kenji Miyadera	Ms. Hina Kobayashi
General Affairs Dept	Ms. Mayumi Horiuchi	

## External CO's

Mr. Kotaro Shimamura ( External Director )  
 Mr. Kazuhiko Ishihara ( External Auditor )  
 Mr. Mikio Suzuki ( Social Insurance & Labour Consultant )  
 Mr. Kazuya Sawada ( Lawyer )  
 Mr. Masayuki Ezaki ( Lawyer )  
 Mr. Shigeharu Kuwahara ( Accountant )  
 Mr. Toru Suzuki ( Judicial Scrivener )

1-2. Internal conditions must be maintained where each and every employee complies with the Code and detailed rules mentioned herein. Should any deed of Company's employee which may infringe these be found, it will be reported to anyone of the above mentioned CO.

1-3. The issue so reported shall be discussed by at least 4 persons from the CSR unit, CO of General Affairs Dept., External Directors, and other external expert(s).

The summary of the discussions shall be reported to the President in writing on the first Friday morning of the following month. The president, cooperating with CSR manager and others, shall take remedial and/or disciplinary or other actions promptly.

Depending on the urgency of the case, the above mentioned actions may be taken immediately.

1-4. In addition to making all employees of the Company well aware of the Code and detailed rules, in-house Compliance Courses are being held periodically inviting speakers from outside the Company. Furthermore, employees, chiefly young staffs, are given chances to attend similar external courses.

## 2. Entertainments and Gifts

Regarding the entertainments and gifts for the customers ( except for government officials and equivalent ), as mentioned in the Corporate Code of Conduct, proper legal and ethical standards shall be maintained.

If the budget exceeds the limits stated below, proper actions must be taken in advance.

#### 2-1. Dining with outsiders

Budget shall not exceed Yen 5,000 per person in principle and report in writing shall be made before or after the entertainment made.

In case the budget exceeds Yen 5,000 per person, employee shall obtain approval from his superior in writing beforehand. The superior shall report to the CSR unit in writing as necessary.

#### 2-2. Gifts

Gifts of unit price more than US\$100 shall not be made in principle, and gifts of more than this limit may be allowed only when written approval by CSR unit and the President is obtained beforehand

In principle, entertainments and gifts for government officials or equivalent no matter whether at home or abroad are prohibited.

#### 3. Compliance Training

Once every year, in February in principle, inviting a lecturer from outside such as Risona Research a Compliance Training Course shall be held which all the executives and employees of the Company shall attend.

The main theme shall be the Corruption while a subtheme, if any, shall be decided by arrangement between the lecturer and the CSR Unit Manager.

#### 4. Corruption Risk Assessment of Business Partners

The Company's Checklist for Business Partners in written form shall include the risk assessment of Corruptions and shall be monitored on a yearly basis.

#### 5. Job Descriptions

Job Descriptions covering at least Key Compliance Areas shall be worked out in due course, which shall be monitored on a yearly basis.

#### 6. Compliance Check of the Company

The Compliance Check of the Company shall be entrusted with Kuwahara Tax Accounting Office, the year-end accounting firm of the Company, which has been auditing our accounting documents for years.

#### 7. Screening for New Hires

The basic screening made by the Company for new hires shall include integrity checks.