

Last Update: November, 20, 2015

NH Foods Ltd.

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<http://www.nipponham.co.jp/eng/index.html>

The corporate governance of NH Foods Ltd. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

Basic Views on Corporate Governance

1. In order to establish a corporate governance system which Nipponham Group (the “Group”) considers most appropriate and in order to make such system functional so that the Company is able to exercise social responsibility for the Group and to realize the vision of the Group as the “World Leader in Delivering the "Joy of Eating"”, the Company hereby presents its basic views on the corporate governance of the Group and will continuously strive to enhance such corporate governance.

2. The principles of corporate governance of the Group are to enhance its management transparency and efficiency, to ensure timely and proper decision-making as well as appropriate business operations, to enable proactive and courageous business judgments and to clarify its responsibility.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

(Supplementary Principle 4-1-3)

With respect to the succession plan for the Chief Executive Officer (CEO), etc., during the New Medium-Term Management Plan Part 5, the Company will set out a profile, including character, skills, and experience, etc., that the Company values for the positions of CEO, etc., and establish a plan for the development of his/her successor. When establishing such development plan, the Company will ensure its effectiveness by organically associating such plan with various training currently provided for the Management, managers and the candidates therefor.

(Principle 4-6)

As a company with an Audit & Supervisory Board (*kansayaku* board), the Audit & Supervisory Board members (*kansayaku*) and the Audit & Supervisory Board (*kansayaku* board) oversee execution of the duties of the Board of Directors and the Management. Further, in order to ensure the transparency of the Board of Directors, the Company appoints multiple Independent Directors. Currently, multiple Independent Directors

and Audit & Supervisory Board members (two (2) full-time Audit & Supervisory Board members and three (3) Outside Audit & Supervisory Board members) oversee the Board of Directors, while maintaining a certain distance from the business operations. The Company has not appointed any Inside Directors who do not carry out business operations, though the Board of Directors continuously examines the numbers of positions that non-Executive Directors should hold on the Board of Directors.

(Supplementary Principle 4-11-3)

With regard to the analysis and evaluation of the effectiveness of the Board of Directors, the Company will conduct self-assessment on the effectiveness of the Board of Directors as a whole, report and confirm the points to be improved at a Board of Director's meeting and disclose the outline thereof at the end of every fiscal year. Moreover, in the event that the Board of Independent Officers comes to realize any matter pertaining to the effectiveness of the Board of Directors, the Board of Independent Officers will report it to the Board of Directors in a timely manner.

[Disclosure Based on the Principles of the Corporate Governance Code]

The Company has established a corporate governance system which the Company considers most appropriate and continuously strives to enhance its corporate governance system in order to realize a vision of the Group as the "world's leading company at providing the joy of eating". Further, the Company has enacted and announced the "Nipponham Group Fundamental Policy on Corporate Governance" setting forth its basic views on and framework of corporate governance of the Company.

"Nipponham Group Fundamental Policy on Corporate Governance"

(Japanese) http://www.nipponham.co.jp/ir/policy/pdf/20151112_01.pdf

(English) http://www.nipponham.co.jp/eng/ir/policy/pdf/20151112_01.pdf

In addition, please see the following status of the Company's response to the 73 items of the General Principles, Principles and Supplementary Principles of "Japan's Corporate Governance Code".

Table for Implementation Status of the Corporate Governance Code

(Japanese) http://www.nipponham.co.jp/ir/policy/pdf/20151112_02.pdf

(English) http://www.nipponham.co.jp/eng/ir/policy/pdf/20151112_02.pdf

2. Capital Structure

Foreign Shareholding Ratio	More than 30%
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[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	18,976,000	9.30
Japan Trustee Service Bank, Ltd. (Trust account)	12,079,000	5.92

The Hyakujushi Bank, Ltd.	7,537,253	3.69
Meiji Yasuda Life Insurance Company	7,354,576	3.61
The Norinchukin Bank	5,926,838	2.91
Nippon Life Insurance Company	5,570,075	2.73
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,494,834	2.69
Sumitomo Mitsui Banking Corporation	4,650,219	2.28
Sompo Japan Nipponkoa Insurance Inc.	3,493,000	1.71
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	3,369,000	1.65

Controlling Shareholder (except for Parent Company)	None
Parent Company	None

Supplementary Explanation

1. The information is reported as of September 30, 2015.
2. The Report of Possession of Large Volume dated on March 19, 2015 (effective date of the duty to report: March 13, 2015) was submitted from Sumitomo Mitsui Trust Bank, Limited to the Director General of the Kanto Local Finance Bureau, but this has not been taken into account in the above “Status of Major Shareholders,” as the number of shares substantially held by the name of such corporation has not been able to be confirmed as of the end of this second quarter.
3. The Report of Possession of Large Volume (Change Report) dated on March 19, 2015 (effective date of the duty to report: March 13, 2015) was submitted from JPMorgan Asset Management (Japan) Ltd., to the Director General of the Kanto Local Finance Bureau, but this has not been taken into account in the above “Status of Major Shareholders,” as the number of shares substantially held by the name of such corporation has not been able to be confirmed as of the end of this second quarter.
4. The Report of Possession of Large Volume (Change Report) dated on April 6, 2015 (effective date of the duty to report: March 31, 2015) was submitted from Black Rock Japan Co., Ltd. to the Director General of the Kanto Local Finance Bureau, but this has not been taken into account in the above “Status of Major Shareholders,” as the number of shares substantially held by the name of such corporation has not been able to be confirmed as of the end of this second quarter.
5. In the Report of Possession of Large Volume made available for public inspection dated July 21, 2015, Mitsubishi UFJ Financial Group, Inc. (the submitting parties being The Bank of Tokyo-Mitsubishi UFJ, Ltd. and three (3) other joint holders) reported as the shareholder, but this has not been taken into account in the above “Status of Major Shareholders,” as the number of shares substantially held by the joint holders other than the shares held by The Bank of Tokyo-Mitsubishi UFJ, Ltd. has not been able to be confirmed as of the end of the second quarter.
6. In the Report of Possession of Large Volume made available for public inspection dated on August 6, 2015, Nomura Securities Co., Ltd. and three (3) joint holders thereof are reported as the shareholders, but this has not been taken into account in the above “Status of Major Shareholders,” as the number of shares substantially held as of the end of the second quarter has not been able to be confirmed by the Company.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Foods
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	1,000 employees or more
Sales (consolidated) as of the End of the Previous Fiscal Year	1 trillion yen or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have a Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	10
Appointment of Outside Directors	Appointed
Number of Outside Directors	2
Number of Independent Directors	2

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Toshiko Katayama	Lawyer											
Iwao Taka	Academic											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Toshiko Katayama	✓	Ms. Katayama is an Independent Officer who has no risk of having conflicts of interests with ordinary shareholders whose designation is made compulsory by the Tokyo Stock Exchange, Inc.	The Company considers Ms. Katayama is suitable as an Outside Director because she has outstanding experience and knowledge about consumer issues, having dealt with them for many years as a lawyer. The Company mainly manufactures and sells foods, so the Company recognizes that engaging in consumer-oriented management is vital to the Company's business development, and believes that it will contribute to interests of shareholders .
Iwao Taka	✓	Mr. Taka is an Independent Officer who has no risk of having conflicts of interests with ordinary shareholders	The Company considers Mr. Taka is suitable as an Outside Director because he has researched about corporate ethics and corporate social responsibility for many years, and has broad perspectives

		whose designation is made compulsory by the Tokyo Stock Exchange, Inc.	about international economics. Mr. Taka had been a chairman of the Nipponham Group Corporate Ethics Committee from 2002 to 2004 thereafter he has been a member of the Corporate Evaluation Committee (currently Corporate Value Enhancement Committee) helping to set up the compliance management and enhance corporate value of the Group. The Company mainly manufactures and sells foods, so the Company recognizes that engaging in consumer-oriented management is vital to the Company's business development, and believes that it will contribute to interests of shareholders.
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Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Executive Appointments Committee	Compensation Committee
All Committee Members	3	5
Full-time Members	0	0
Inside Directors	1	2
Outside Directors	2	2
Outside Experts	0	0
Others	0	1
Chairperson	Outside Director	Outside Director

Supplementary Explanation

The Executive Appointments Committee is established for the purpose of enhancing the transparency and objectivity of decisions on candidates for the Directors/Audit & Supervisory Board members and improving the supervisory function of the Board of Directors.

The Compensation Committee is established for the purpose of enhancing the transparency and objectivity of decisions on the compensation for the Corporate Officers (including the Executive Officers) and improving the supervisory function of the Board of Directors.

The one person indicated in the "Others" section is an Independent Audit & Supervisory Board member.

[Audit & Supervisory Board members (*kansayaku*)]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board members	5

Cooperation among Audit & Supervisory Board members, Accounting Auditors and Internal Audit Departments

- With respect to the cooperation between the Audit & Supervisory Board members and the Accounting Auditors, they discuss the audit policy/audit plan at the beginning of each fiscal year and report to each other the audit performance status/the audit results during and at the end of the fiscal year for the purpose of sharing information, and they attend audits whenever necessary and verify the appropriateness of the audit method, etc.
- With respect to the cooperation between the Audit & Supervisory Board members and the internal audit divisions, they discuss the audit policy (such as the policy on priority points)/audit plan at the beginning of each fiscal year, and they attend audits whenever necessary during the fiscal year and discuss the appropriateness, etc. of the findings indicated in the audit results.

Appointment of Outside Audit & Supervisory Board members	Appointed
Number of Outside Audit & Supervisory Board members	3
Number of Independent Audit & Supervisory Board members	3

Outside Audit & Supervisory Board members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	E	f	g	h	i	j	k	l	M
Akira Otsuka	Lawyer													
Akihiko Shiba	Lawyer													
Atsushi Iwasaki	CPA													

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executive of a parent company of the Company

d. *Kansayaku* of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a *kansayaku*
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the *kansayaku* himself/herself only)
- k. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the *kansayaku* himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the *kansayaku* himself/herself only)
- m. Others

Outside Audit & Supervisory Board members' Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board member	Supplementary Explanation of the Relationship	Reasons of Appointment
Akira Otsuka	✓	Mr. Otsuka is an Independent Officer who has no risk of having conflicts of interests with ordinary shareholders whose designation is made compulsory by the Tokyo Stock Exchange, Inc.	The Company considers that Mr. Otsuka will contribute to the sound business development of the Group as an Outside Audit & Supervisory Board member because he has a deep knowledge in a wide range of fields from his long career as a lawyer. The Company recognizes that responding to societal demands and engaging in compliance-oriented management is a foundation which is vital to business development of the Group, thereby contributing to interests of shareholders.
Akihiko Shiba	✓	Mr. Shiba is an Independent Officer who has no risk of having conflicts of interests with ordinary shareholders whose designation is made compulsory by the Tokyo Stock Exchange, Inc.	The Company decided Mr. Shiba is suitable as an Outside Audit & Supervisory Board member because he has professional perspectives and experiences, etc. as a lawyer who primarily specializes in compliance in organizational operations and risk management. He has been a member of the Corporate Evaluation Committee since 2011, helping to set up the compliance management of the Group and enhance the corporate value of the Group. The Company recognizes that responding to societal demands and engaging in compliance-oriented management is a foundation which is vital to business development of the Group, thereby contributing to interests of shareholders.
Atsushi Iwasaki	✓	Mr. Iwasaki is an Independent Officer who has no risk of having conflicts of	The Company decided Mr. Iwasaki is suitable as an Outside Audit & Supervisory Board member because he is qualified as a public accountant and

		interests with ordinary shareholders whose designation is made compulsory by the Tokyo Stock Exchange, Inc.	he has extensive knowledge about finance and accounting. The Company believes that Mr. Iwasaki's timely advice on management from financial and accounting perspectives will contribute to the sound business development of the Group, thereby contributing to interests of shareholders.
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[Independent Directors/ Audit & Supervisory Board members]

Number of Independent Directors/ Audit & Supervisory Board members	5
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Matters relating to Independent Directors/ Audit & Supervisory Board members

<p>"Criteria for the Independence of Outside Officers"</p> <p>If any Outside Officer or any candidate for Outside Officer is judged to satisfy all the requirements in the following items, the Company shall determine that such any Outside Officer or any candidate for Outside Officer is independent of the Company:</p> <ol style="list-style-type: none"> 1. The Outside Officer or candidate for Outside Officer is not, or has not been, a Director (excluding an Outside Director; the same applies hereinafter), Audit & Supervisory Board member (excluding an Outside Audit & Supervisory Board member; the same applies hereinafter), accounting advisor, Executive Officer, Corporate Officer, manager or other important employee (Note 1) (hereinafter referred to as a "Director") of the Company or any of its subsidiaries or affiliates ("NH Group"); 2. The Outside Officer or candidate for Outside Officer is not a relative of any Director within the third degree of kinship; 3. The Outside Officer or candidate for Outside Officer is not a leading shareholder (Note 2) of the Company or a Director thereof or a director of any company having NH Group as its leading shareholder; 4. The Outside Officer or candidate for Outside Officer is not a director of any principal client (Note 3) of NH Group; 5. The Outside Officer or candidate for Outside Officer is not a recipient of a donation of 10 million yen or more from NH Group for the fiscal year under review (if the recipient of the donation is a corporate body, partnership or other entity, any individual who belongs, or have belonged for the most recent five years, to such entity); 6. The Outside Officer or candidate for Outside Officer is not an attorney, certified public accountant or any of various providers of consulting and other professional services who receives remuneration of 10 million yen or more, other than a Director's or Audit & Supervisory Board member's remuneration, from NH Group for the fiscal year under review (if the provider of the service is a corporate body, partnership or other entity, any individual who belongs, or have belonged for the most recent five years, to such entity); and 7. No "relationship of interlocking outside officers" (Note 4) exists between the company to which the

Outside Officer or candidate for Outside Officer belongs as a director and NH Group.

- (Notes) 1. "Important employee" means an employee assigned to the post of a general manager or a higher post.
2. "Leading shareholder" means any person holding, directly or indirectly, 10% or more of the total voting rights.
3. "Principal client" means a company whose amount of money paid or received in its trading with NH Group is 2% or more of net sales of NH Group or the client on a consolidated basis.
4. "Relationship of interlocking outside officers" means a receipt of the dispatching of any Outside Officer from the company that any director of the Group is currently serving as an outside officer.

[Incentives]

Incentive Policies for Directors	Performance-linked Compensation
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Supplementary Explanation

The standard pay is comprised of basic compensation and performance-based compensation. The basic compensation and performance-based compensation make up 80% and 20%, respectively, of the standard pay. The performance-based compensation is set in the range of 0-40%, according to the annual business performance and individually established goal attainment level.

Recipients of Stock Options	
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Supplementary Explanation

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[Director Compensation]

Disclosure of Individual Directors' Compensation	No Individual Disclosure
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Supplementary Explanation

The Company discloses the total amount of compensation for the Directors other than Outside Directors, the total amount of compensation for Audit & Supervisory Board members other than Outside Audit & Supervisory Board members and the total amount of compensation for Outside Officers (Outside Directors and Outside Audit & Supervisory Board members).

Policy on Determining Compensation , etc. and Method of Calculation	Established
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Policy of Determination of the Compensation, etc., and the Method of Calculation

Basic Policy on Director and Audit & Supervisory Board Member

NH Foods Ltd. maintains a very transparent, just, and rational compensation system that is designed to attract talented executives who can optimize corporate value in performing their duties as directors and Audit & Supervisory Board Member.

NH Foods Ltd. ensures that directors' and Audit & Supervisory Board Members' compensations are indeed transparent, just, and rational by having the Compensation Committee, where Outside Director acts as Chairperson, deliberate on these matters, with the final decision made by the Board of Directors.

Summary of Compensation of the Directors:

1. Compensation of each Director shall be a standard pay determined based on his/her position, plus stock acquisition-based compensation. No retirement gratuity shall be paid.

(1) The standard pay shall comprise a basic compensation and performance-based compensation. The basic compensation and the performance-based compensation make up 80% and 20%, respectively, of the standard pay. The performance-based compensation is set in the range of 0-40% according to the annual business performance and individually established goal attainment level.

(2) The stock acquisition-based compensation intended to reflect medium and long term business performance is a monthly fixed amount. Each Director will acquire shares of the Company for such fixed amount (through the officers' stock ownership plan). Such shares shall be not transferred while he/she remains in office and for one year after his/her retirement from office.

2. Compensation of each Outside Director shall be a basic compensation only in consideration of his/her role. No retirement gratuity or stock acquisition-based compensation shall be paid.

Summary of Compensation of the Audit & Supervisory Board Members:

Compensation of each Audit & Supervisory Board Member shall be a basic compensation only in consideration of his/her role. No retirement gratuity or stock acquisition-based compensation shall be paid.

[Supporting System for the Outside Directors (Outside Audit & Supervisory Board members)]

Although there are no staff members who engage in their duties solely for the Outside Directors, the Corporate Planning Department provides support to the Outside Directors. As for the Outside Audit & Supervisory Board members, there are two (2) persons who are in charge of engaging in their duties solely for all of the auditors and these persons provide support to the Outside Audit & Supervisory Board members.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)

(1) Governance System

Each of the business divisions and affiliate companies of the Group is operated in the most appropriate organizational structure and business strategy in each respective market, so as to thereby demonstrate their advantages, and, on such basis, the Group aims to conduct group management in which it exercises its comprehensive strength. In order to do so, it is vital to fully enforce compliance management and strengthen corporate governance as the Group's management base. The Company intends to ensure fully functioning corporate governance and to perform accountability to each stakeholder such as "customers," "shareholders," "business partners" and "employees."

The basis of the Group's corporate governance is to clarify the responsibility and authority of the Directors' "management supervisory function" and the Executive Officers' "business execution function." The number of Directors in charge of the management supervision function is twelve (12) or less, in consideration of the extent of the timely and appropriate decision-making and responsibility which the Board of Directors owes, and the Company strives to enhance head office departments and committees that support the Board of Directors.

In addition, in order to ensure the transparency of the Board of Directors, in principle, the Company appoints multiple Outside Directors. Out of ten (10) Directors, two (2) of them are Outside Directors; the Directors are comprised of nine (9) males and one (1) female. The Directors' terms of office is one (1) year in order to clarify management responsibility for each year.

Furthermore, the Company has established a management supervisory system by the Audit & Supervisory Board members and the Audit & Supervisory Board. The number of Audit & Supervisory Board members is five (5), in order to fully perform the supervisory function toward the Board of Directors and, in essence, three (3) or more Outside Audit & Supervisory Board Members are appointed. In principle, in addition to the Corporate Officer in charge of accounting, one (1) or more person(s), who has knowledge and experience in finance and one (1) or more person(s), who is an expert in the law, such as an attorney, are appointed as members comprising the Board of Directors and the Audit & Supervisory Board. Out of five (5) Audit & Supervisory Board members, three (3) of them are Outside Audit & Supervisory Board members; the Audit & Supervisory Board members are comprised of five (5) males.

Moreover, as the Company recognizes that it is essential not only for the management system but also the workplace to strengthen the corporate governance, the Company strives to improve the internal control function of offices and the Group companies.

The Company clarifies the responsibility and authority of the Directors' "management supervisory function"

and the Executive Officers' "business execution function."

The Board of Directors is held once each month and is comprised of the Directors (including the Outside Directors) and the Audit & Supervisory Board members (including the Outside Audit & Supervisory Board members), wherein the Representative Director/President serves as the Chairperson, and the Board of Directors makes decisions as a supreme decision-making body on the matters set forth in the laws, regulations and the Articles of Incorporation, as well as other important matters.

The Audit & Supervisory Board is held once a month and is comprised of the Audit & Supervisory Board members (including the Outside Audit & Supervisory Board members), and the Audit & Supervisory Board makes decisions on important matters concerning auditing.

The Management Strategy Committee is held twice a month and is comprised of the Directors (excluding the Outside Directors) and the Executive Officers designated by the Representative Director/President. The Management Strategy Committee makes decisions on important matters concerning business policy and facilitates communication and coordination within the Group. The matters to be submitted to the Board of Directors and the Management Strategy Committee are discussed in advance at the Investment & Finance Committee and/or the Corporate Governance Committee.

As for auditing and supervisory functions, in addition to audits conducted by the Audit & Supervisory Board members, the Company ensures the appropriateness of its business through internal audits conducted by the Audit Department, quality audits conducted by the Quality Assurance Department, environment audits conducted by the Corporate Social Responsibility Department and monitoring by the Compliance Department.

As for other committees, the "Compliance Committee," which is comprised of eight (8) members including the Representative Director and the Outside Directors, deliberates policies and measures concerning the compliance of the Group as a whole. The "Risk Management Committee," which is comprised of seventeen (17) members including the Directors, deliberates policies and measures concerning the risk management of the Group as a whole.

The "Compensation Committee," which is comprised of five (5) members including the Representative Director and the Outside Directors, deliberates the compensation system for the Corporate Officers, and the operation thereof. An Outside Director serves as Chairperson thereof.

The "Executive Appointment Committee," which is comprised of three (3) members including the Representative Directors and the Outside Directors, deliberates candidates for the Directors and the Audit & Supervisory Board members and report the deliberated result to the Board of Directors. An Outside Director

serves as Chairperson thereof.

We consider that the above systems enable us to conduct fair and efficient corporate management.

(2) Matters concerning the Outside Directors

Director Katayama, as one of the Outside Directors, has dealt with consumer issues as a lawyer for many years and has outstanding experience and knowledge. Accordingly, the Company considers that Director Katayama is able to supervise management from the consumers' perspective and to manage the Board of Directors in a manner that is more conscious of consumers. As the Company produces and manufactures foods and sells products mainly to general consumers, the Company believes that it is essential for its business growth to conduct management in line with the consumers' perspective, and the Company believes that the foregoing will eventually contribute to interests of shareholders. In addition, as specified in (1) above, Director Katayama has provided advice from the outside perspective as Chairperson of the Compensation Committee, a member of the Compliance Committee and a member of the Executive Appointment Committee.

Director Taka, as one of the Outside Directors, has researched on corporate ethics and corporate social responsibility for many years and also has broad perspectives on international economy, and therefore, the Company considers that Director Taka will appropriately perform his duties as one of our Outside Directors. As the Company produces and manufactures foods and sells products mainly to general consumers, the Company believes that it is essential for its business growth to conduct management based on compliance and in line with the consumers' perspective, and the Company believes that the foregoing will eventually contribute to interests of shareholders. In addition, as specified in (1) above, Director Taka has provided advice from the outside perspective as Chairperson of the Nominating Committee and a member of the Compensation Committee.

(3) Status of activities taken toward strengthening of functions of the Audit & Supervisory Board members

It is provided in [Audit & Supervisory Board members (*kansayaku*)] in "Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management."

3. Reasons for Adoption of Current Corporate Governance System

As stated above, the Company has clarified the responsibility and authority of the Directors' "management supervisory function" and the Executive Officers' "business execution function." In addition, the Company considers that fair and efficient corporate management can be conducted by appropriately combining the following: discussing and deliberating after clarifying the decision-making authority of the Board of Directors, the Management Strategy Committee, the Investment & Finance Committee, the Corporate

Governance Committee, etc.; establishing functions to make recommendations to the Board of Directors by five (5) Committees; and conducting the Audit & Supervisory Board members' audits, internal audits, quality audits, environmental audits and the Compliance Department's monitoring.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Meeting of Shareholders Meeting	A notice of general meeting of shareholders is dispatched three (3) weeks prior to such general shareholders meeting.
Scheduling AGMs Avoiding the Peak Day	The general meetings of shareholders are scheduled for days other than the peak days on which numerous companies hold their general meetings of shareholders.
Providing Convening Notice in English	The convening notice is posted on the Company's website.
Others	<ul style="list-style-type: none"> • A notice of general meeting of shareholders is disclosed to the Tokyo Stock Exchange and is also posted on the Company's website, prior to dispatching the same to the shareholders. Other information for the shareholders, including reports on the general meetings of shareholders, is also posted on the Company's website. • The Company holds "Shareholder Forum" as a venue for the shareholders and the Management of the Company to better understand each other.

2. IR Activities

	Supplementary Explanations	Whether There Has Been Explanation Offered by the Representative Him/Herself
Preparation and Publication of Disclosure Policy	The Disclosure Policy is provided for and published in the "Nipponham Group Fundamental Policy on Corporate Governance".	
Regular Briefing Sessions for Individual Investors	They were held twice during the period between April 1, 2014 and March 31, 2015.	Yes
Regular Briefing Sessions for Analysts and Institutional Investors	They are held four (4) times annually. The President attends two (2) of such briefing sessions.	Yes
Regular Briefing Sessions for Overseas Investors	They are held twice annually.	Yes
Posting of IR Materials on Website	<ul style="list-style-type: none"> • Briefing materials for analysts and institutional investors are posted on the website on the date of announcement of the financial results. • Summary of financial results used at briefing sessions for analysts and institutional investors are posted on the 	

	<p>website on the date of briefing sessions.</p> <ul style="list-style-type: none"> • Minutes of briefing sessions for analysts and institutional investors are posted on the website within one (1) week after the briefing sessions. 	
Establishment of Department and/or Manager in Charge of IR	The Public & Investor Relations Department is in charge of IR.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The responsibilities for stakeholders are provided in the Corporate Philosophies, the Management Principles, the Group's Action Standards and the Group's Fundamental Policy on Corporate Governance.
Implementation of Environmental Activities, CSR Activities etc.	Certified to ISO14001 (21 certified locations), preparation of social and environment reports, conducting of factory tours targeting general visitors, management of the website "Allergy Net" and provision of information on food allergies, hosting of children's baseball and soccer classes, involvement in national park protection support activities through " <i>Minna no mori</i> " activities and among other activities

Others	<p>Since female consumers have material influence on the decision to purchase the Group's products, it is important to offer products and services that take into account women's values and perspectives. Therefore, since the fiscal year 2005, the Company has been advancing efforts to support the success of women in the workplace, aiming to provide women with opportunities to be part of the Board of Directors and business execution and to create a workplace where both men and women can play an active role in business activities.</p> <p>In the New Medium-Term Management Plan Part 5 (April 2015-March 2018), regarding the "procurement and cultivation of human resources," one of the management strategies includes "cultivation plan for managers and young leaders of the next generation," and support for success of women is clearly specified as a target thereof.</p> <p>In order for women to continue to work, play an active role and form a leading demographic with strong presence, the Group promotes specific measures with a goal of achieving "202012 (By 2020, the percentage of women in supervisory and managerial positions is to be 12%)."</p> <p>[Efforts for promotion of women to executive and managerial positions]</p> <ul style="list-style-type: none"> • Business college for women (reforming awareness, supporting women to form their careers, helping women to improve their management skills, creating opportunities for women to communicate with top-level executives through the mentor system) • Establishing and implementing a plan at each group company to support the success of women in the workplace <p>[Efforts for reforming awareness of all executives and employees]</p> <ul style="list-style-type: none"> • Seminars on diversity have been held in Tokyo and Osaka annually since 2004 <p>[Creating a mechanism for allowing women to continue working]</p> <ul style="list-style-type: none"> • Efforts have been made to acquire the next-generation support certification logo "<i>Kurumin</i>" (the action plan to support the development of the next generation) at each group company. 								
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 25%; text-align: center;">End of the fiscal year ending in March 2004</th> <th style="width: 25%; text-align: center;">End of the fiscal year ending in March 2015</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Percentage of women in managerial positions in the Group [(:non-consolidated)]</td> <td style="text-align: center; padding: 5px;">0.5% (0.3%)</td> <td style="text-align: center; padding: 5px;">2.2% (3.4%)</td> </tr> <tr> <td style="padding: 5px;">Percentage of female employees in the Group [(:non-consolidated)]</td> <td style="text-align: center; padding: 5px;">12.9% (9.7%)</td> <td style="text-align: center; padding: 5px;">18.3% (16.5%)</td> </tr> </tbody> </table>		End of the fiscal year ending in March 2004	End of the fiscal year ending in March 2015	Percentage of women in managerial positions in the Group [(:non-consolidated)]	0.5% (0.3%)	2.2% (3.4%)	Percentage of female employees in the Group [(:non-consolidated)]	12.9% (9.7%)
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IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

1. Systems to secure the execution by the Directors of their duties complies with laws and regulations and the

Articles of Incorporation

- 1) The Company establishes the Group's Action Standards in order to strictly implement its Action Guidelines so as to bring the Corporate Philosophies to fruition under the Corporate Philosophies and Business Principles. The Corporate Officers and employees of the Group comply with it.
- 2) The Corporate Officers of the Group take initiative in complying with laws and regulations and the internal rules, etc., including the Articles of Incorporation and the Group's Action Standards, and ensure that all employees are fully aware of these rules.
- 3) The Company establishes the Compliance Committee in order to examine policies and measures concerning the compliance of the Group as a whole in a comprehensive manner. The Compliance Department of the Company reviews the Group's Action Standards regularly and as necessary, and ensures that all Corporate Officers and employees of the Group are fully aware thereof.
- 4) The Corporate Officer appointed by the Representative Director/President will preside over the Compliance Committee, and the Company convenes meetings of the Compliance Committee, which periodically reports to the Board of Directors on progress on ensuring awareness of compliance and specific problems, issues, etc.
- 5) The Company secures a direct way for employees to report conducts at the Nipponhan Group that pose a question as to compliance of laws and regulations and establish and operate internal and external hotlines in relation to compliance issues.

2. Systems concerning storage and management of information pertaining to the execution of duties by the Directors

- 1) The Directors, pursuant to the document management rules, properly store and manage the following documents (including electronic records; the same applies hereinafter) concerning the execution of their respective duties and other important information:
 - (1) Minutes of general meetings of shareholders and their related materials;
 - (2) Minutes of the Board of Directors' meetings and their related materials;
 - (3) Records of proceedings of other important meetings hosted by the Directors or their instructions, and their related materials;

(4) Documents pertaining to decision making by the Directors and their attached documents;
and

(5) Other important documents for execution of duties by the Directors.

2) The Representative Director/ President is responsible for monitoring and supervising the storage and management of information set forth in 1) above. The Representative Director/President performs such that pertain to preparation of minutes as required by the Companies Act of Japan.

3) The documents set forth in 1) above are kept on file for at least 10 years and are made available for inspection as necessary.

3. Rules and other systems concerning management of exposure to risk of loss

1) The Company enacts risk management rules, establish a Risk Management Committee in order to examine policies and measures concerning risk management of the Group as a whole in a comprehensive manner and establish a section that oversees risk management of the Group as a whole and that defines the risk management system.

2) The section overseeing risk management cooperates with the Compliance Department and other relevant sections to establish a preventive system adopted for non-emergency events and a system for emergency events to facilitate prompt and appropriate information communication and urgent tasks that correspond to risks expected under the risk management rules.

3) The Risk Management Section identifies important risks to the Group and periodically holds meetings of the Risk Management Committee to share, respond to and confirm risk information for the purpose of managing the said risks through the reasonable and most appropriate method, from the perspective of the Group as a whole.

4) The Audit Department cooperates with the Compliance Department, the risk management section and other relevant sections of the business division to audit the state of day-to-day risk management of the Group.

4. Systems to secure efficient execution of the Directors' duties

1) To enhance the transparency and appropriateness of decision-making by the Board of Directors, the Board of Directors includes two or more Outside Directors, in principle.

- 2) The Board of Directors, based on the assignment of duties of the management bodies, Representative Directors, Executive Directors and Executive Officers, etc. determined by the Board of Directors, cause the Representative Directors, Executive Directors, and Executive Officers to execute business.
- 3) With regard to items of business in respect of which the decision making authorization is delegated to the Representative Directors, Executive Directors, and Executive Officers, such items are determined by such bodies or in accordance with procedures as stipulated in the Rules on Business Authorization. The Rules on Business Authorization may be revised from time to time when the relevant laws or regulations are amended or abolished, or as necessary, to enhance the efficiency of the execution of their duties.

5. Systems to secure the employees' execution of their duties to comply with laws and regulations and the Articles of Incorporation

- 1) To ensure that the execution of duties by the Company's employees comply with laws and regulations and the Articles of Incorporation, the Company establishes a system to strictly implement its Corporate Philosophies, Management Principles, Action Guidelines and Action Standards. The Company also cause the Representative Directors, Executive Directors, and Executive Officers to train and educate the employees of the Group concerning compliance.
- 2) In the event of any employee of the Group finds any material violation of the law or regulation or any other material fact concerning compliance in any company within the Group, he/she reports the same to the Company's Compliance Department pursuant to the internal rules, etc., including the Group's Action Standards. The Corporate Officer in charge of compliance directs and supervises investigations of such reported fact, and the said Department confirms all the facts revealed through the investigation, cooperate with the relevant sections from the perspective of their expertise, formulate and implement corrective measures and recurrence prevention measures.
- 3) With regard to important information, the Company discloses the content thereof and its status of handling and results thereof to the Corporate Officers and employees of the Group and ensures that all Corporate Officers and employees are fully aware thereof.
- 4) The Representative Director/President directly manages the Audit Department. The Audit Department, in accordance with the instruction of the Representative Director/President, conducts audits on the state of execution of business. In addition, the Quality Assurance Department conducts quality audits and the Corporate Social Responsibility Department conducts environmental audits.

6. Systems to secure the appropriateness of business activities of the corporate group comprised of the Company and its subsidiaries

- 1) The Group Action Standards serve as action standards for the Corporate Officers and employees of the Group to act in compliance with laws and regulations, the Articles of Incorporation and social norms.
- 2) In order to ensure strict compliance with 1) above, the Compliance Department supervises compliance efforts on a cross-sectional manner and provides training, etc. for the Corporate Officers and employees of the Group.
- 3) The Representative Directors, Executive Directors, and Executive Officers of the Group define internal control through means such as establishment of the Primary Business Administration Rules, in order to ensure appropriate execution of business at each business division.
- 4) The Audit Department audits the subsidiaries on a regular basis and cooperate with business divisions that oversees the business of each company within the Group. The results of such audits are reported to the Representative Director/President
- 5) While respecting the autonomy and independence of the management of the subsidiaries, in order to contribute to the proper and effective operation of the group management, the Company establishes the Affiliate Companies Management Rules. When the subsidiaries make decision on important managerial matters, the Company establishes a system in which prior approval, prior adjustment and reporting are made to us in accordance with the Affiliate Companies Management Rules.
- 6) As for transactions between the Company and its subsidiaries (including transactions between subsidiaries), in accordance with the Affiliate Companies Management Rules, the Company ensures that such transactions are not significantly advantageous or disadvantageous compared to transactions with a third party and establishes a system in which transparency of transactions is ensured such as confirmation with experts as necessary.
- 7) With regard to the risk management conducted by the subsidiaries as a corporate group, the Company grasps the status thereof and establishes a system in which the Company provides instructions for improvement.
- 8) The Company establishes compliance point of contact and a system to allow all employees of the Group to directly report an incident within and outside the Group, and the Company establishes the Group's Whistleblower Protection Rules and ensures that the Corporate Officers and employees of

the Group are fully aware of these rules. The Company does not dismiss or unfavorably treat any person who has been a whistleblower.

- 9) For cases of any violation of laws, regulations and/or internal rules, etc. or if any threat thereof occurs or is revealed in the Company or its subsidiaries, the Company establishes a system in which the foregoing is reported to the Company's Compliance Department.
- 10) The Group, as a member of society, has no relationship, including business relationship, with any anti-social force that threatens the social order or safety and uncompromisingly deal with any undue claims. The Group's Action Standards stipulate how to deal with anti-social forces in the Action Standards, and the Company ensures that how to deal with anti-social forces are made fully aware throughout the Group. The General Affairs Department of the Company collects and manages information on undue claims, thereby reducing risks concerning anti-social forces.
- 11) The Group establishes a system to ensure the reliability of financial reporting and establishes relevant rules as well as a system under which responsible sections and the audit section are able to periodically evaluate the operations of the system to find and solve problems, if any. In addition, the Group provides training and raise awareness of compliance with accounting standards and related laws and regulations, thereby reinforcing internal control over financial reporting.
- 12) As for foreign subsidiaries, the Company causes such subsidiaries to establish and operate appropriate internal control in accordance with this policy to a reasonable extent. The Company causes such subsidiaries to apply respective internal control procedures/systems and accounting processing/reporting methods established by the Company to the extent permitted by the laws, etc. of each relevant country.

7. Matters concerning the employees assisting the Audit & Supervisory Board members to execute their duties, matters concerning the independence of such employees from the Board of Directors, matters concerning ensuring the effectiveness of instructions toward such employees

- 1) The Company assigns staff for the Audit & Supervisory Board members as employees assisting the Audit & Supervisory Board members in the execution of their duties.
- 2) The number of staff for the Audit & Supervisory Board members is determined upon consultation with the Audit & Supervisory Board.
- 3) The staff for the Audit & Supervisory Board members dedicates all of their work time for the Audit & Supervisory Board and assists its auditing activities exclusively pursuant to instructions of the Audit & Supervisory Board.
- 4) The Company obtains prior approval from the Audit & Supervisory Board upon nomination,

personnel change, evaluation and disciplinary punishment of the staff for the Audit & Supervisory Board members and establishes a system in which the independence from the Board of Directors is ensured.

8. System for reporting by the Directors and employees of the Company and its subsidiaries to the Audit & Supervisory Board members and other systems for reporting to the Audit & Supervisory Board members, system for ensuring that any person making such report will not be subject to unfavorable treatment due to the fact of making such report

- 1) The Audit & Supervisory Board members attend the Board of Directors' meetings and the representative(s) of the Audit & Supervisory Board attend meetings of the Management Strategy Committee and Corporate Executive Committee.
- 2) The Directors report the following matters to the Audit & Supervisory Board:
 - (1) Matters resolved at meetings of the Management Strategy Committee;
 - (2) Matters that may inflict material damage to the Group;
 - (3) Matters important to business conditions each month;
 - (4) Important matters concerning the status of internal audits and risk management;
 - (5) Material violations of laws or regulations or the Articles of Incorporation;
 - (6) Matters in violation of the Group's Action Standards; and
 - (7) Status of whistleblowing made to the compliance point of contact and the details thereof.
- 3) If the Audit & Supervisory Board members determine necessary, the Audit & Supervisory Board members may request the Directors, Executive Officers and employees, or any of the Company's subsidiaries' Directors, Audit & Supervisory Board members, Executive Officers and employees to report to the Audit & Supervisory Board members at any time.
- 4) The Company ensures that any person who makes a report to the Audit & Supervisory Board members will not be subject to dismissal or suffer any other unfavorable treatment due to the fact of making such report.

9. Other systems to assure effective audits by the Audit & Supervisory Board members

- 1) In principle, the majority of the Audit & Supervisory Board members are Outside Audit & Supervisory Board members in order to secure transparency externally.
- 2) The Company provides opportunities for the Audit & Supervisory Board to have individual hearings with the Representative Directors, the Executive Directors, the Executive Officers and important

employees, and the Audit & Supervisory Board regularly hold meetings to exchange opinions with the Representative Directors and the audit firm, respectively.

- 3) The Audit & Supervisory Board members may assign matters necessary for auditing activities to the staff of the Audit Department. The Audit Department, upon consultation with the Audit & Supervisory Board, conducts internal audits of the matters requested by the Audit & Supervisory Board members and reports the results thereof to the Audit & Supervisory Board.
- 4) When conducting audits, the Audit & Supervisory Board may, as necessary and at the expense of the Company, retain legal and accounting experts.

2. Basic Views and Implementation Status of Eliminating Anti-Social Forces

The Group, as a member of society, has no relationship, including business relationship, with any anti-social force that threatens the social order or safety and uncompromisingly deal with any undue claims. The Group's Action Standards stipulate how to deal with anti-social forces in the Action Standards, and the Company ensures that how to deal with anti-social forces are made fully aware throughout the Group. The General Affairs Department of the Company collects and manages information on undue claims, thereby reducing risks concerning anti-social forces.

V. Others

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Adopted
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Supplementary Explanation

1. Fundamental policy on party who controls determination of the Company's financial and business policies:

The shares of the Company may be transferred freely, in principle, and they are traded freely and actively by many investors on the stock market. Hence, free trading of the shares of the Company determines who will control the determination of its financial and business policies. Therefore, in the event that the Company is offered a proposal of a large purchase of shares of the Company which is sufficient to control the determination of its financial and business policies, the Company believes that the decision on whether to vote for or against such proposal must, in the end, depend on the free will of the shareholders.

On the other hand, the Company desires to contribute to society through the stable supply of safe and trusted products to its customers and clients and the materialization of a rich eating life for its customers. The Company believes that any party who controls the determination of its financial and business policies must maintain trustful relationships with various stakeholders and also maintain and enhance the corporate value and common interests of the shareholders of the Company. Therefore, the Company believes that any party who engages in an inappropriately large purchase action or any similar action that may prejudice the corporate value and common interests of the shareholders of the Company is not appropriate to be a party who controls the determination of its financial and business policies.

2. Specific details concerning efforts to prevent the Company's financial and business policies from being controlled by an inappropriate party in light of the Fundamental Policy

The Company has adopted a prior-warning type rights plan (the "Plan") with approval from the shareholders at the 70th General Meeting of Shareholders held on June 25, 2015. The effective term of the Plan is until the general meeting of shareholders to be held in June 2018.

In the case where a large-scale purchase offer is made toward shares of the Company, the Board of Directors considers that it is important for the Board of Directors to secure sufficient information on the large purchase action and to provide shareholders with information in a timely and appropriate manner to enable us to determine whether such large purchase action will contribute to maximizing the corporate value of the Company and the common interests of shareholders as well as to enable shareholders to evaluate such large purchase action. The purpose of the Plan is to secure the collection of information and a review period for large purchase actions, negotiation with large-scale purchasers and opportunities to present alternative proposals as the Board of Directors.

The Plan is intended to cover large purchase actions of shares of the Company that subject shares representing 20% of voting rights or more. If such action is recognized, the Board of Directors will request the large-scale purchasers to provide information, and, at the same time, upon consideration of such information, etc., the Board of Directors will evaluate such purchase action, carefully form and publicly announce the opinions of the Board of Directors and present alternative proposals as necessary.

The countermeasures under the Plan are determined by the Board of Directors after the Corporate Value Enhancement Committee, consisting of the outside committee members who are independent from the Company, evaluates such purchase action and makes a recommendation to the Board of Directors on whether or not to exercise countermeasures. In light of the content, form and method of the large purchase action, the Company allocates shares without contribution with a partial acquisition clause as an exercise of countermeasures only when the corporate value of the Company and the common interests of shareholders are likely to be damaged if no countermeasures are otherwise exercised.

With regard to the exercise of countermeasures, if the Corporate Value Enhancement Committee makes a recommendation that it is necessary to confirm the intention of the shareholders, the Board of Directors determines whether or not to exercise countermeasures after convening a general meeting of shareholders in which the intention of the shareholders is confirmed.

2. Other Matters Concerning the Corporate Governance System

The Company strives to make timely and appropriate disclosure of important corporate information by way of the procedures specified below, in accordance with the Corporate Information Management Rules, which are the Company's internal rules established to protect and secure trust from investors under the philosophy that management of the "occurrence of facts" is the "essence of information management." In fact, twelve (12) items are defined as the "Extraordinary Events" in the Corporate Information Management Rules (please see "Note" below), and in the case of occurrence of any such event at the Company and its Group companies, all of the information is collected (through the Compliance Department which is the contact office for collection of information) and presented to the Representative Director/President who is the general manager in charge of information management. A system has been established which enables timely and appropriate disclosure at all times. The "determined facts" and "account settlement information" are reported to the Representative Director/President and disclosed in a timely and appropriate manner without delay after approval of the Board of Directors.

(Note) An Extraordinary Event means:

- (1) Damage due to natural disaster;
- (2) Damage due to industrial accident (an accident which causes a worker to be absent from his/her work for four (4) days or more or causes loss or injury to a worker's body) or damage due to a commuting accident;
- (3) Damage due to accident;
- (4) Work-related damage;
- (5) Likelihood of lawsuit;
- (6) On-site inspection, order, recommendation, disposition, etc. by supervisory authorities or government offices;
- (7) Financial difficulty of any business partner;
- (8) Uncollectable or delayed receivables;
- (9) Suspension of transactions with any business partner;
- (10) Undue claims from an organization or individual that appears to be an anti-social force;
- (11) In addition to the above, any matter likely to infringe upon laws, regulations, etc.; or
- (12) In addition to the above, any matter requested by local residents or matter likely to cause trouble in

terms of social norms.

Procedures for timely and appropriate disclosure of important corporate information

- (1) An “Extraordinary Event” occurs at workplace;
- (2) The “manager in charge of information management” at the department where such Extraordinary Event has occurred prepares a “report on significant matters” and promptly report to the Corporate Officer in charge and the Compliance Department;
- (3) The Corporate Officer in charge and the Compliance Department promptly confirm the facts;
- (4) The Compliance Department confirms the details of the “Extraordinary Event” and promptly requests the “manager in charge of information management” to confirm whether it is necessary to disclose information thereon;
- (5) If the “person in charge of handling information” has received a request, he or she, as necessary, seeks opinions from outside experts (such as the stock exchange, attorneys, the Kanto Local Finance Bureau, certified public accountants and financial institutions with which the Company has transactions) and informs the Compliance Department on whether it is necessary to disclose relevant information;
- (6) If the Compliance Department is informed that it is necessary to disclose relevant information, it reports such “important facts” to the Board of Directors or the Management Strategy Committee;
- (7) The “general manager in charge of information management” (i.e., the Representative Director/President) instructs the “person in charge of handling information” to disclose the “important facts”; and
- (8) The Company discloses the information to the stock exchange (if it is necessary to submit an Extraordinary Report under the Financial Instruments and Exchange Act at the same time, such Extraordinary Report is submitted to the Kanto Local Finance Bureau).

