

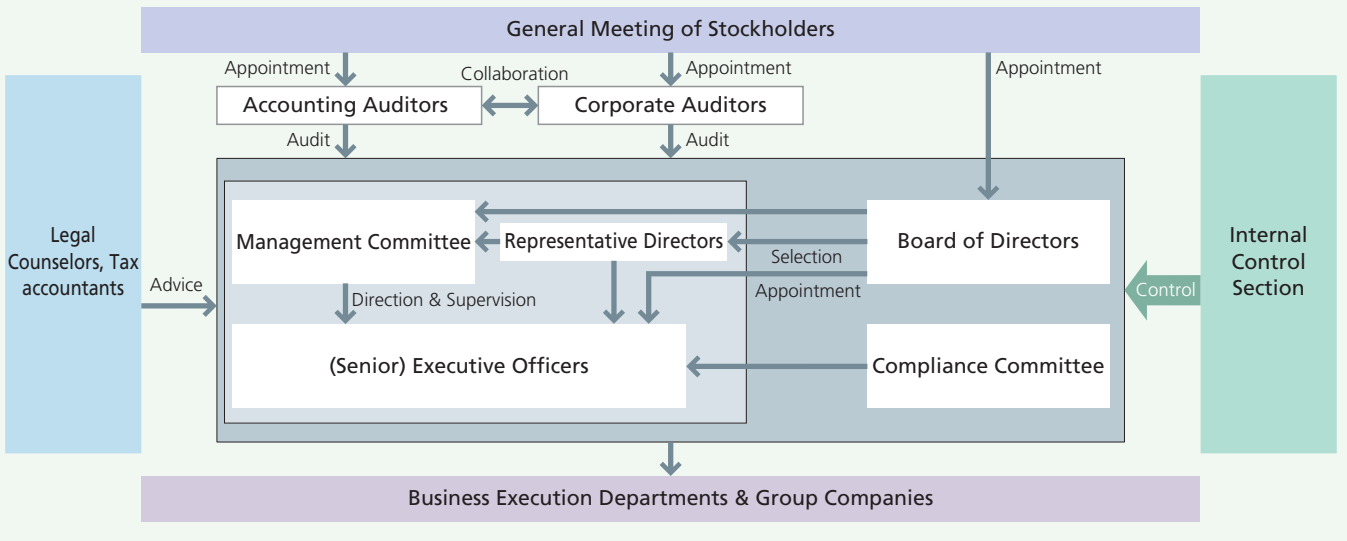
Corporate Ethics

Corporate Governance

It is the basic goal of the Toagosei Group to be able to make fast and correct management decisions amid a constantly changing business environment, and to manage the Company and its Group in a fair and transparent manner. Toward this end, we have set up a corporate governance structure, including the introduction of an executive officer system with the aim of separating the supervisory and executive functions

of management, enabling flexible and speedy decision-making, as well as more efficient execution of work processes, while simultaneously clarifying responsibilities. We have also appointed a director from outside the Company as part of our efforts to strengthen management's supervisory functions. Finally, we have set up a new Internal Control Section under the direct authority of the President of Toagosei.

Corporate Governance System



Compliance

We have established an in-house system to ensure a continued focus on compliance.

- Drawing up and promulgation of the Toagosei Group Code of Conduct and the Toagosei Group Manual of Behavioral Standards
- Establishment of the Compliance Committee
- Establishment of whistleblower hotlines for reporting suspected instances of illegal or unethical conduct
- Taking action to ensure the protection of confidential personal information

We have set up a system to oversee the appropriate handling of confidential personal information acquired in the course of collection of business information, as well as information on our employees, and have given this system the ability to take preventive and remedial measures. We have also clearly set down our specific methods of handling confidential private information in our "Personal Information Protection Policy."

Emergency Management

To facilitate swift and precise decision-making in the event of the discovery of the probable occurrence of a business crisis, or in the event of the actual occurrence of such a crisis, we have drawn up a Basic Contingency Management Manual which prescribes the organization to be set up to deal with any contingency, and the specific steps to be taken in the event of occurrence of particular categories of crisis.

● Contingency Response

In the event of a crisis, employees who are in possession of the facts regarding the crisis shall communicate the essential information to the rest of the Company via previously established emergency communication routes. On the basis of this information, the director or other high-ranking officer with direct authority over the workplace or work processes involved shall make an assessment of the crisis level, and shall put into motion the contingency response organization provided for that purpose, in accordance with the perceived degree of crisis level. Staff at the work site at which the crisis occurs shall keep in constant touch with the Company's Head Office, and the measures to be taken shall be determined through the collaboration of the staff at both ends.