

# Corporate Governance

## Basic Approach to Corporate Governance

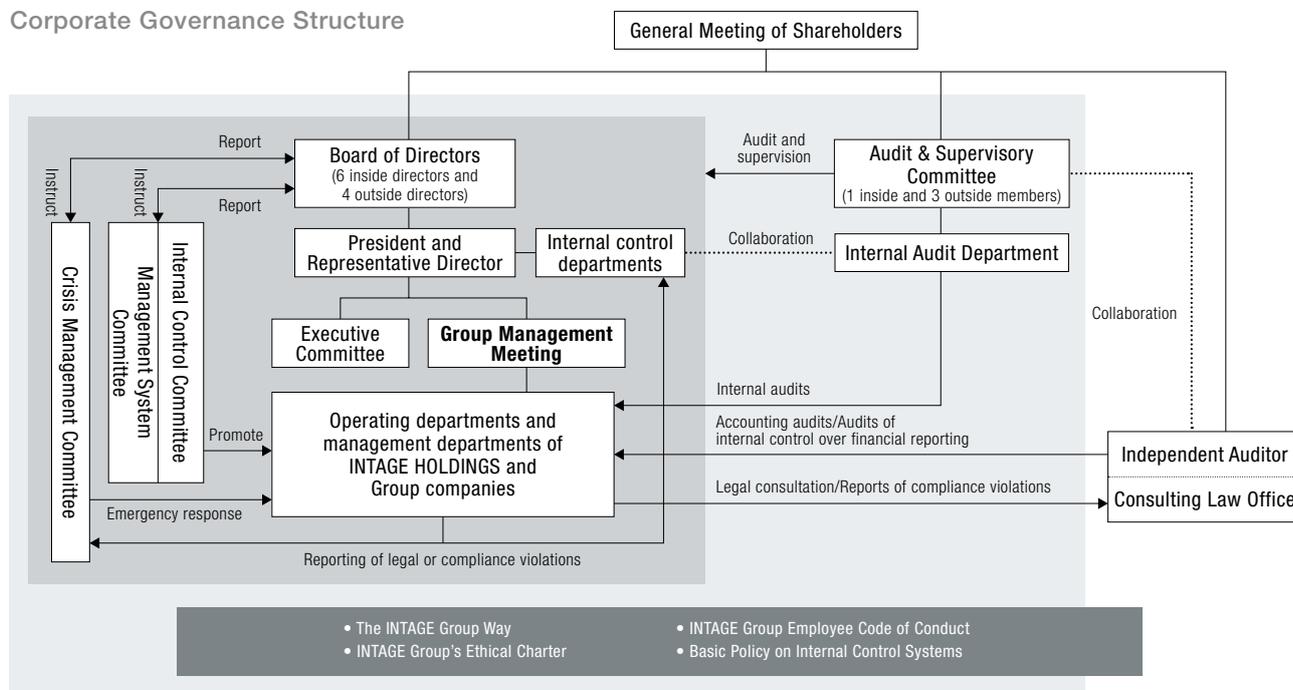
We believe that, as an enterprise made up of numerous stakeholders, the INTAGE Group has an important responsibility not only to improve business results but also to ensure the soundness, fairness and transparency of management.

The INTAGE Group Way, our corporate philosophy, is the cornerstone of our management. To fulfill that philosophy, the INTAGE Group's Ethical Charter has been established as a set of guidelines that all of the Group's executives and employees must follow in conducting business activities. Based on this charter, the Group has formulated the INTAGE Group Employee Code of Conduct, which defines the basic attitude and behaviors expected of employees. The Code of Conduct is instilled in the Group's executives and employees to ensure that they carry out sound business activities in compliance with laws and regulations. In keeping with our Basic Policy on Corporate Governance, the Group has implemented all principles set forth in the Corporate Governance Code issued by Tokyo Stock Exchange, Inc.

## Corporate Governance Structure

In 2016, we transitioned from a company with a Board of Corporate Auditors to a company with an Audit & Supervisory Committee. This change strengthens our corporate governance structure by bolstering the oversight and supervision function of the Board of Directors, accelerating decision-making through the delegation of authority, and raising the level of fairness, transparency and effectiveness in business execution.

### Corporate Governance Structure



### • Board of Directors

The Board of Directors consists of six directors (excluding directors serving as Audit & Supervisory Committee members; including one outside director), and four directors serving as Audit & Supervisory Committee members (including three outside directors), who meet once a month, in principle, to make decisions on policies and other important matters concerning the Company's management, and oversee the execution of duties by executive officers and directors, including the representative directors.

### • Committees

The Company has established the Internal Control Committee to promote internal control initiatives, the Crisis Management Committee to respond to crises involving business operations, the Management System Committee to further improve management systems, and the Information Security Committee to identify and resolve information security issues.

The Audit & Supervisory Committee consists of four directors serving as Audit & Supervisory Committee members (including three outside directors), who meet once a month, in principle.

### • Outside Directors

The Company has four outside directors, three of whom are Audit & Supervisory Committee members. The Company believes that appointing outside directors enables it to reflect a broad range of expertise from an independent standpoint in its management decisions. The Company's criteria for the independence of outside directors are based on its Independence Criteria for Outside Directors, with reference to the independence criteria of Tokyo Stock Exchange, Inc.