

Audit Committee (from April 1, 2022 to March 31, 2023)

■ Members, the number of meetings, and attendance

Name	Title	Attendance	Number of attendances
Kouji Kawahara	Chairperson Outside Director	100%	15 times/15 times
Ryo Kawakami	Outside Director	100%	15 times/15 times
Tomonori Nishimura	Outside Director	100%	15 times/15 times
Isao Ozako*	Director	100%	11 times/11 times

*The number of attendances after becoming as a member of the Committee

Discussions at the Audit Committee

Major items to be discussed at the Audit Committee include the formulation of the Audit Committee's auditing standards, the formulation of auditing policies and auditing plans, the evaluation of the content of auditing plans of independent auditors, and the assessment of the selection of independent auditors, and the assessment of the status of development and operation of internal control systems.

Audit Status

The Audit Committee members attend meetings of the Board of Directors and other major meetings in

accordance with auditing standards, policies, and plans determined by the Audit Committee. The Audit Committee receives reports or hears from Directors, Executive Officers, employees, etc. on the status of the execution of their duties, and audits the execution of duties by Directors and Executive Officers. In addition to the Board of Directors and Executive Officers Meetings, members of the Audit Committee attend and monitor the Sustainability Committee, the Risk Management Committee, the Compliance Committee, and the Fair Trade Monitoring Committee, which operate internal control systems.

Internal Control/Internal Audit

Internal control system

We regard risk management and compliance as one of the most important management issues, and have established a basic approach to internal control system (Internal Control Policy). Based on this basic policy, we maintain and operate the Group's internal control system, and are working to improve the soundness and efficiency of our management by constantly reviewing our internal control system in response to changes in the business environment.

Internal audit activities

The Internal Audit Department reports directly to the President, Executive Officer and is in charge of internal audit operations independently from the divisions to be audited. The Internal Audit Department conducts internal audits of the execution status of execution organizations from the perspectives of compliance with laws and internal regulations, appropriateness, and the effectiveness and efficiency of business activities.

For internal audits, audits are conducted by each organization of the execution organization (operational audits) and cross-organizational audits by risk and business function (thematic audits). Based on the results of these audits, we provide advice and recommendations

for improvement to divisions subjects to audits, as well as conducting follow-up audits to confirm the implementation status of improvement measures until their completion.

Overseas, we have established the Administration & Internal Control Department within the General Manager's Office of each region. The Internal Audit Department and the Administration & Internal Control Department work together to strengthen internal controls while taking into account the circumstances and characteristics of each region. In the fiscal year ended March 2023, we resumed operational audits by visiting overseas affiliates, which had been voluntarily restrained due to the COVID-19 pandemic.

The results of internal audits are reported to the President, Executive Officer and to the Audit Committee, and are shared also with all Executive Officers. In addition, the Audit Committee, the Internal Audit Department and the Accounting Auditor hold regular meetings to exchange information and opinions about the audit policies, audit plans, audit results, etc., and strive to improve efficiency and effectiveness of audits.