

Companies' Policy of the establishment of Internal Control System

1. Systems for ensuring that Directors and Employees comply with laws and the articles of association in the performance of their duties.

- (1) Since the company's establishment, "Take the High Road" has been an established behavioral guideline.
- (2) Based on this behavioral guideline, the Company has established Mitsui High-tec Group Code of Conduct to make sure that Directors and Employees act in compliance with laws and regulations, the articles of associations and social norms, and this Charter is used as a basis for action.
- (3) To ensure compliance, the Compliance Committee is established and composed of President as chairperson, the Corporate Officer, Audit and Supervisory Committee Members. This committee supports the activities of the entire company.
- (4) The Internal Audit Department shall audit the company's compliance with related laws, regulations etc., on its own or together with the related section. They shall report audit results to the Board of Directors and the Audit and Supervisory Committee.
- (5) Information about acts such as violations, etc. of Mitsui High-tec Group Code of Conduct shall be collected through the Hot Line, etc. and the company shall investigate the facts of the violations, etc. and establish countermeasures to prevent their recurrence.
- (6) Our company shall establish an internal control system for financial reporting and appropriately evaluate this reporting.
- (7) Our company shall not engage in any interactions with anti-social forces or organizations that adversely affect the social order and the soundness of the corporation, and it shall seek the maximum assistance from the police, legal professionals and other sources.¹

¹ Anti-social forces or organizations are people or organizations that seek to benefit economically through unjust actions leveraging violence, power or fraud.

2. Systems for the management and preservation of information in relation with the Directors' performance of their duties.

- (1) Records of the Directors' performance of their duties and information related to the performance of their duties shall be kept in written or electronic files.
- (2) Directors (including the Audit and Supervisory Committee Members.) shall be able to read these documents at any time.

3. Risk management systems and rules

- (1) The risk management regulations, which set out matters concerning Group risk management, stipulate persons responsible for risk management for each business unit and each group company and action is taken to address assumed risks.

The Internal Audit Department shall comprehensively control risk on behalf of the company.

- (2) To address risks relating to compliance matters, environmental affairs, disasters or accidents, quality issues, information security problems for intelligence and the management of export transactions, etc., each responsible person shall create manuals and train persons of relations.
- (3) When a large accident, disaster, scandal, etc. occur, the company will quickly respond in cooperation and prevent or mitigate damage based on its risk management regulations.

4. Systems for ensuring that directors perform their duties efficiently

- (1) The Board of Directors shall establish targets for the entire company, which are shared by the Directors and Employees.
- (2) Senior General Managers and General Managers shall perform their duties to achieve the established targets set by each division through methods that are effective for achieving the targets.
- (3) Senior General Managers and General Managers shall accurately supervise and direct Employees to enable Employees to do their jobs correctly and rapidly considering the purposes to be achieved and the effectiveness of the actions.

(4) The Board of Directors shall review the company's progress in achieving established targets periodically and act to ensure the effectiveness of the entire company's actions.

5. Systems for ensuring proper business operations within the corporate group.

(1) The company shall require that its subsidiaries comply with all of its regulations and shall establish systems to enable the subsidiaries to comply with Mitsui High-tec Group Code of Conduct and to monitor the subsidiaries to ensure the suitability and effectiveness of their performance.

(2) The company shall instruct all subsidiaries to establish internal control according to the related regulations of the country or countries the subsidiaries operate within.

(3) Based on (2) above, transactions between the company and its subsidiaries are to be fair.²

² For (1) and (2), increase awareness of internal control at overseas subsidiaries, and avoid engaging in unjust business practices such as accepting unfairly favorable prices.

(4) Directors shall provide guidance to all subsidiaries based on operational reporting to ensure that each subsidiary is able to fairly and effectively manage their duties.

6. Provision concerning directors and employees (hereinafter referred to as assistants) who should assist the duties of the Audit and Supervisory Committee, Matters concerning Independence from other directors (excluding directors who are Audit and Supervisory Committee members) of assistants and Matters related to ensuring the effectiveness of instructions to the assistants of the Audit and Supervisory Committee.

(1) Our company shall assign a staff to assist the Audit and Supervisory Committee within the Internal Audit Department in order to strengthen cooperation between the Audit Supervisory Committee and the Internal Audit Department.

(2) Audit and Supervisory Committee may direct and order the staff of Audit and Supervisory Committee within the Internal Audit Department. Such employees shall not be subject to the direction and orders of the Executive Directors, etc. with respect to their duties.

(3) Personnel changes of the staff of Audit and Supervisory Committee within the Internal Audit Department shall require the advance approval of full-time Audit and Supervisory Committee Members.

7. The following systems and other systems related to reporting to the Audit and Supervisory Committee of the stock company:

• **Systems for Directors(excluding Directors who are members of the Audit and Supervisory Committee) or Employees reporting to Audit and Supervisory Committee;**

• **Systems for the directors and employees of a subsidiary company or persons who receive reports from them to report to the Audit and Supervisory Committee of the stock company;**

• **Systems for ensuring that persons who make a report under the preceding item are not treated disadvantageously due to making the report;**

(1) Directors and Employees shall report any events likely to cause considerable damage to the company, and any information concerning the performance of engagement and compliance activities to the Audit and Supervisory Committee immediately.

(2) A Director, Executive Officer or Employee of the company or its subsidiaries, or a person receiving reports from these people shall report any matter that threatens to cause the company to incur significant losses to Audit and Supervisory Committee without delay.

(3) The company shall ensure that people are not retaliated against for the submission of reports.

(4) Reported methods are determined through discussion between the Board of Directors and the Audit and Supervisory Committee.

8. Matters related to policies regarding prepayment procedures and obligations incurred through Audit and Supervisory Committee Members ' execution of their duties (limited to those related to execution of the duties of the Audit and Supervisory Committee).

(1) Our company reimburses Audit and Supervisory Committee Members for the expenses associated with the execution of their duties

9. Other systems ensuring that Audit and Supervisory Committee are conducted effectively.

- (1) Audit and Supervisory Committee shall exchange information concerning the performance of financial and operational audits and promote close cooperation
- (2) Audit and Supervisory Committee shall present the points to be improved by the company to the Board of Directors, request improvement measures and reports on the progress, and propose opinions as the Audit and Supervisory Committee.
- (3) Audit and Supervisory Committee shall regularly meet with the Representative Director and the Board of Directors to exchange information and opinions.