

TOA Corporation Group believes that good corporate governance enhances our competitiveness and performances to fulfill corporate social responsibilities and increase the corporate value for shareholders. With recognition that the effective internal control plays a key role to achieve that goal, we strive to improve the quality and effectiveness of our internal controls.

## **1. Compliance**

All members of TOA Corporation Group are required to be fully aware of relevant laws, regulations, and social ethics governing their business activities and to strictly comply with them in performing their roles and duties.

## **2. Risk Management**

We have developed a framework to appropriately identify, assess, and control risk factors associated with business activities of TOA Corporation Group. All risk factors, once identified, are to be properly dealt with by a responsible department or a provisional taskforce designated in accordance with the framework.

In case of a natural disaster on a scale possibly jeopardizing our business continuity, the BCM Committee is promptly convened to take actions to minimize adverse impacts on the business activities of our own and our valuable customers.

## **3. Information Management and Control**

Pieces of information regarding business activities and director's fulfillment of their duties and responsibilities are to be categorized by their contents, classified by their security levels, recorded in a proper format, and preserved in an appropriate manner for a required period of time in accordance with our internal Information Management Regulations and the relevant laws and regulations.

## **4. Independent Auditors and Fair and Reliable Financial Statements**

Each and every legal entity within TOA Corporation Group guarantees that the independent professional auditors are able to perform a proper and effective audit on the financial statements and internal control performance reports of the entity by holding regular meetings with its representative directors, corporate auditors and relevant departments to exchange opinions and information and deepen their mutual understandings. And thus, we

ensure the fairness and reliability of our financial statements and internal control performance reports to maintain the transparency of our management.

## **5. Effective Audit by Corporate Auditors**

The corporate auditors of TOA Corporation Group are authorized to attend major meetings of each entity, to hold regular meetings with the representative directors, to regularly review the performances of the directors and respective departments, and to access to the information necessary for their auditing. And thus, the corporate auditors are ensured to independently appraise the effectiveness, legal compliancy and soundness of the management and to duly perform their responsibilities.

## **6. Proper Management Control of TOA Corporation Group**

TOA Corporation as the parent company of TOA Corporation Group has established the rules and regulations to govern each legal entity within TOA Corporation Group in order to fulfill corporate social responsibilities and enhance values as a corporate group.

Based on their relevant provisions, important managerial issues of the respective entity are to be reported to the Board of Directors of the parent company for approval, and other less-important issues are to be reviewed and approved by its Corporate Planning Department.

## **7. Fulfillment of Corporate Social Responsibilities**

TOA Corporation has established the CSR Committee chaired by the president in order to ensure fulfillment of CSR's as a corporate citizen. Two subcommittees, the Compliance Subcommittee which deals with legal issues and internal controls, and the Risk Management Subcommittee which copes with risk factors related to business activities such as safety and sanitation, information security, environmental sustainability, and quality control, have also been established under the CSR Committee in order to make elaborate reviews and enhance the quality and effectiveness of our CSR performances.

TOA Corporation annually edits and opens to the public its Annual CSR Report in order to promote awareness and understandings of our engagement in CSR activities among the society, our valuable stakeholders, and all members of TOA Corporation Group.