

## Corporate Governance

### *Basic Approach to Corporate Governance*

Alfresa Holdings positions corporate governance as a key management issue in respect to the control and management of the business activities of its subsidiaries. Our basic approach is to enhance the efficiency and transparency of group management so as to improve corporate value from the standpoint of shareholders.

### *Implementation of Corporate Governance Policies*

Alfresa Holdings is a pure holding company responsible for formulating a management vision and mission for the entire Group, and laying out business plans based on those themes. The fundamental role of Alfresa Holdings is to promote sustainable growth in corporate value through the effective use of the Group's resources. The company oversees and manages the operations of the Group in accordance with a basic agreement on management guidance.

The Group's auditing system consists of four corporate auditors, two of whom are outside auditors. The utmost care is taken to ensure that outside auditors have no vested interests in the Company. In addition to a four-member Board of Directors, the Company has introduced an executive officer system to speed up management decision-making and to clarify responsibilities for business execution.

We have selected KPMG AZSA & Co. as our independent auditor.

### *Compliance System*

To ensure compliance with laws and regulations in our business activities, we have established a Compliance Committee and Risk Management Office at consolidated subsidiaries Fukujin Co., Ltd. and AZWELL Inc., respectively, as part of an effort to enhance our compliance and risk management systems.

