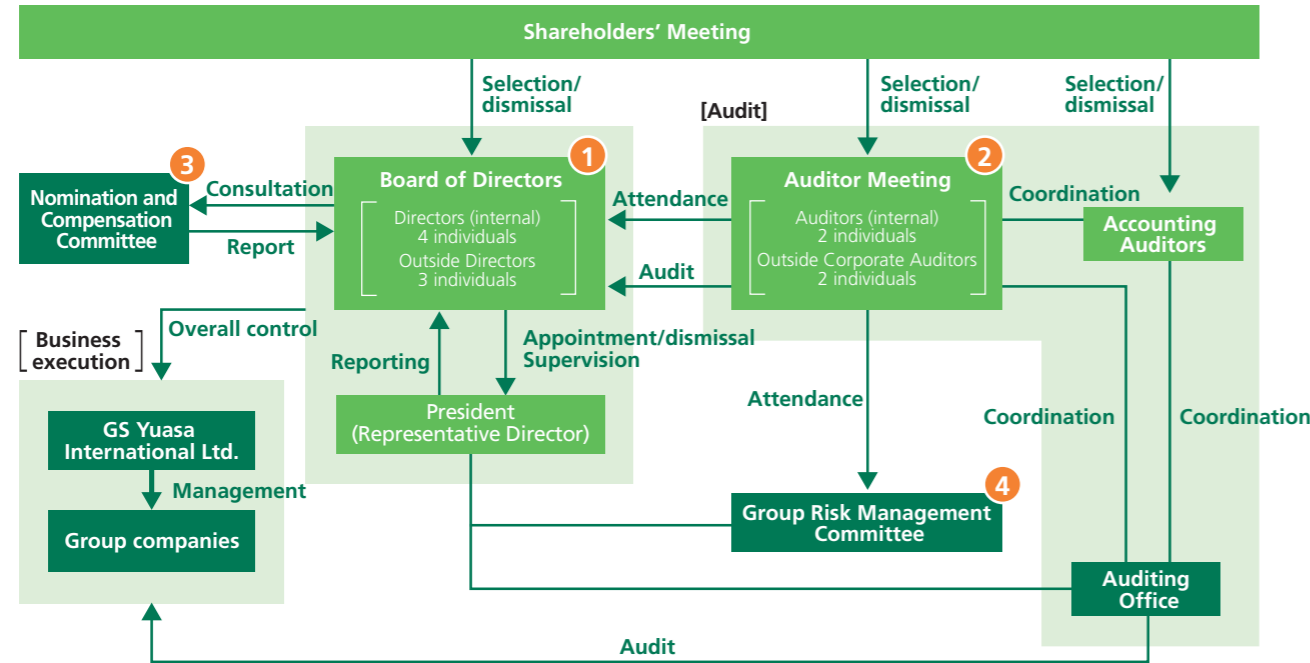


Corporate Governance

Chart of corporate governance structure

Governance structure (FY2021)



1 Board of Directors FY2020: **17** meetings
 The Board of Directors is chaired by the president, and independent directors comprise one-third or more of its membership. By uniformly deciding the medium- and long-term strategies of the Group, the Board of Directors ensures speedy decision making. In principle the Board of Directors meets once a month, but extraordinary meetings, as well as written resolutions or reports, are also held when necessary. In addition, secretarial divisions and others provide support so that outside directors can fully display their monitoring function.

2 Auditor Meeting FY2020: **14** meetings
 The Auditor Meeting is chaired by an outside corporate auditor and in principle meets once a month. Auditors conduct appropriate auditing and fulfill a management monitoring function by, among other activities, hearing reports on the business situation, risk management conditions, and other topics in meetings of the Board of Directors and other important conferences; offering their opinions and suggestions; interviewing directors, employees, and others about the execution of their duties; browsing important decisions, resolutions, and other documents; and investigating asset conditions.

3 Nomination and Compensation Committee FY2020: **6** meetings
 The Nomination and Compensation Committee is an advisory body aimed at strengthening the independence, objectivity, and accountability of the Board of Directors' functions, such as the nomination and remuneration of directors. The nomination committee discusses proposals for nominating new directors and selecting a new corporate president, as well as plans for successors (including human resource development plan) and other matters, and reports to the Board of Directors. The compensation committee discusses policy for determining director remuneration, the remuneration of individual directors, and other matters and reports to the Board of Directors.

4 Group Risk Management Committee FY2020: **2** meetings
 The Group Risk Management Committee in principle meets twice a year to promote the management of risks and countermeasures relating to Group management and to share necessary information. It is chaired by the president, and meetings are attended by directors and auditors, the presidents of major subsidiaries, general managers of business units, and others.

Main matters discussed in meetings of the Board of Directors in FY2020

Matters relating to the Shareholders' Meeting	<ul style="list-style-type: none"> Decision on convocation and agenda of the Shareholders' Meeting Approval of business reports, financial documents, etc. Deciding of director nominations
Matters relating to directors	<ul style="list-style-type: none"> Selection of president and executive directors Directors serving concurrently at other companies Remuneration and bonuses of directors
Matters relating to management in general	<ul style="list-style-type: none"> Matters relating to business transfer Matters relating to business policy and governance structure Reports on state of progress of Mid-Term Management Plan and other business plans Matters relating to financial affairs and assets
Other	<ul style="list-style-type: none"> Selection of members of the Nomination and Compensation Committee Matters relating to treasury stock acquisition Implementation of appraisal of the Board of Directors' effectiveness and report Verification of cross-shareholdings Setting of long-term environmental targets

Record of attendance by outside directors at Board of Directors and Auditor Meetings (FY2020)

Official position	Name	Board of Directors No. of attendances/ No. of meetings	Auditor Meeting No. of attendances/ No. of meetings
Outside Director	Ikuo Otani	17/17 times	—
Outside Director	Takayoshi Matsunaga	17/17 times	—
Outside Director	Yoshiko Nonogaki	13/13 times	—
Outside Corporate Auditor (Full-time)	Katsuya Ohara	17/17 times	14/14 times
Outside Corporate Auditor (Full-time)	Tsukasa Fujii	17/17 times	14/14 times

Nomination and Compensation Committee structure

Chairperson	Outside Director	Ikuo Otani
Committee member	Outside Director	Takayoshi Matsunaga
	Outside Director	Yoshiko Nonogaki
	President	Osamu Murao
	Vice President	Toshiyuki Nakagawa

Note: At the Annual General Meeting of Shareholders held on June 29, 2021, auditor Katsuya Ohara retired upon the expiration of their terms.
 Note: Director Yoshiko Nonogaki was appointed at the Annual General Meeting of Shareholders held on June 26, 2020, and 13 meetings of the Board of Directors have been held since her appointment.

Skills matrix of directors and auditors (FY2020)

Name	Position or responsibility	Knowledge and experience expected by GS Yuasa							
		Corporate management	Financial accounting	Legal affairs/ Compliance	IT	International affairs	Sales	Manufacturing	Technology
Osamu Murao	President Chief executive officer (CEO)	●		●				●	●
Toshiyuki Nakagawa	Vice President Chief financial officer (CFO)	●	●	●	●				
Masahiro Shibutani	Managing Director	●	●			●	●		
Kazuhiro Fukuoka	Director	●		●	●	●	●		
Ikuo Otani	Director <i>Outside Independent</i>	●	●						
Takayoshi Matsunaga	Director <i>Outside Independent</i>	●			●	●		●	●
Yoshiko Nonogaki	Director <i>Outside Independent</i>	●			●	●	●		
Masayuki Murakami	Corporate Auditor (Full-time)	●	●	●			●	●	
Akio Furukawa	Corporate Auditor (Full-time)	●				●	●		
Tsukasa Fujii	Corporate Auditor <i>Outside Independent</i>		●	●					
Akira Tsujiuchi	Corporate Auditor <i>Outside Independent</i>		●	●					

Note: The above table does not show all the knowledge and experience possessed by directors.

Corporate Governance

Approach and governance system

To drive sustainable growth and enhance corporate value over the medium and long terms, the GS Yuasa Group is committed to establishing an organization and systems that enable fast, efficient responses to a changing business environment. At the same time, our basic policy on corporate governance is to make every effort to thoroughly implement and strengthen compliance and improve the soundness and transparency of management.

A new governance structure began in fiscal 2017 based on this philosophy. GS Yuasa Corporation,

the holding company, is responsible for formulating management strategies for all of the Group's businesses, as well as management for the entire Group and oversight of the Group's business execution. GS Yuasa International Ltd., the Group's core operating company, is the key decision-making body for business execution, consolidating and strengthening business execution and making swift business-related decisions.

The Board of Directors makes quick and effective decisions related to the Group's management by prioritizing strategic decision making and supervisory functions for management policy. In addition, monitoring has been reinforced by appointing multiple independent outside directors.

Policy on the appointment of directors

To enable the Board of Directors to effectively fulfill its duties as the Board of Directors of the holding company, we select, in a well-balanced manner, persons with knowledge, experience, skills, and so on relating to the business of our Group as a whole and persons who can make statements and act from an objective standpoint and a long-term, wide-ranging perspective. In addition, we strive to achieve a size and composition that can reflect diverse opinions, including gender and international viewpoints. In the selection of candidate directors, the Board of Directors asks the Nomination and Compensation Committee for advice and makes a final decision in the light of its report.

* Reasons for the selection of individual internal directors and independent outside directors are available on our website:
▶ https://www.gs-yuasa.com/en/ir/pdf/GYC017ST_e.pdf

Policy on the independence of outside directors

We appoint several outside directors as persons with ample experience and knowledge who can make statements from an objective standpoint and contribute to the medium- to long-term enhancement of our corporate value without being restricted by corporate officers. When making such appointments, we also give consideration to their external independence, such as by ensuring that any company to which a candidate, or that candidate's close relative, belongs or belonged has no business ties, or just minor business ties, with our Group.

We report all outside directors as independent directors to the Tokyo Stock Exchange.

Efforts to strengthen corporate governance

	2015	2016	2017	2018	2019	2020	2021
Strengthening internal control	<ul style="list-style-type: none"> ● 2004: Establishment of the Auditing Office Established as an internal auditing body to strengthen internal control functions. ● 2005: Establishment of the GS Yuasa Group Corporate Ethics Hotline Established to facilitate the quick detection and prompt response to risks following enforcement of the Whistleblower Protection Act. ● 2009: Start of employee compliance questionnaire by the president (once a year) Thorough compliance ensured through regular implementation of a questionnaire. 						<ul style="list-style-type: none"> ● Change of independent auditor After comparative investigations, a new independent auditor was appointed as the previous auditor had been in the post continuously for many years.
Enhancing the objectivity of managerial decisions		<ul style="list-style-type: none"> ● Appointment of one outside director One individual appointed in 2015. 	<ul style="list-style-type: none"> ● Start of evaluating the effectiveness of the Board of Directors (once a year) Implemented based on the Corporate Governance Code to strengthen the effectiveness of the Board of Directors. 	<ul style="list-style-type: none"> ● Number of outside directors increased to two One more individual appointed in 2017 and one more in 2020 to strengthen the management monitoring function. 		<ul style="list-style-type: none"> ● Number of outside directors increased to three 	
Enhancing the diversity of the Board of Directors						<ul style="list-style-type: none"> ● Appointment of female director Extra outside directors included one woman. 	
Clarification of management responsibility (nomination and remuneration of directors)		<ul style="list-style-type: none"> ● 2013: Term of directors shortened to one year To respond swiftly to changes in the management environment and increase opportunities for trust in the Shareholders' Meeting. 		<ul style="list-style-type: none"> ● Introduction of performance-linked stock remuneration scheme To ensure that directors share the benefits and risks of stock price fluctuations with shareholders. 		<ul style="list-style-type: none"> ● Establishment of Nomination and Compensation Committee To strengthen the independence, objectivity, and accountability of the functions of the Board of Directors in the nomination and remuneration of directors, etc. 	

Corporate Governance

Evaluating the effectiveness of the Board of Directors

Led by outside directors and the president, evaluations of the effectiveness of the Board of Directors have been implemented once a year since fiscal 2016. In fiscal 2020 as well, all directors and corporate auditors completed a questionnaire on the structure, management, agenda, and duties of the board. As a result of analysis and evaluation of the questionnaire replies, it was deemed that the Board of Directors is operating effectively. However, opinions and suggestions were made calling for further improvements concerning such matters as internal control and the risk management setup and its involvement in successor plans of the Nomination and Compensation Committee. We will continue to address these issues.

Evaluation and improvement measures in the most recent two years are shown below.

Evaluating the effectiveness of the Board of Directors

Evaluation items	FY2020 evaluation (Targeted period: January–December 2019)	FY2021 evaluation (Targeted period: January–December 2020)
Composition of the Board of Directors	There were opinions on the ratio of outside directors and appointment of female directors. ▼Our response In the light of the results of discussions in the Nomination and Compensation Committee, we appointed a female outside director and increased the number of independent directors to more than one-third of the board. As a result, composition of the board has come to further reflect our diversity.	Overall, the evaluation was affirmative. As issues to be addressed going forward, however, there were suggestions on such matters as the ratio of outside directors and international diversity, including the appointment of foreign directors.
Management of the Board of Directors	Improvements made in the previous fiscal year to review the time setting of meetings of the Board of Directors and other important conferences were positively appraised, and overall the evaluation was affirmative. Regarding important matters, however, there were suggestions that further improvements should be made to enable efficient reports. ▼Our response We conducted a review of the timing of reports and subject matter.	Overall, the evaluation was affirmative, recognizing that improvements had been made and that appropriate reports were being given on the progress of issues to be discussed in the Board of Directors, including important matters. However, there were also calls for further improvements to substantiate report content.
Agenda of the Board of Directors	There was a suggestion that discussions should be further deepened prior to referral to the Board of Directors. ▼Our response We considered a review of the Group's decision-making process, including the arrangement of meetings other than those of the Board of Directors.	The Group's decision-making process, which is being examined to address an issue raised in the previous fiscal year, commenced operation in April 2021, so they were not a subject of this effectiveness evaluation. The effectiveness of the decision-making process is scheduled to be considered in fiscal 2021.
Duties of the Board of Directors	Regarding the fostering of next-generation management, there was a suggestion that awareness of the duties and responsibilities of directors should be further raised through training and other activities for related persons, including executives of GS Yuasa International Ltd., our core business subsidiary. ▼Our response We held new training sessions and other activities for related persons, including executives of GS Yuasa International Ltd. ▶ See the above section on "Fostering of next-generation management."	There were suggestions for further improvements to be made regarding internal control and the risk management setup and involvement in the successor plans of the Nomination and Compensation Committee. In response, it was decided to consider the improvement of monitoring arrangements, such as the regular supply of information relating to overseas sites, and the expansion of information sharing relating to senior employees in the Nomination and Compensation Committee.

Fostering of next-generation management

In the fiscal 2019 evaluation of the effectiveness of the Board of Directors, there was a suggestion regarding policy on the fostering of next-generation management. In the light of this proposal, training was implemented for executives of GS Yuasa Corporation and directors and auditors of GS Yuasa International Ltd., our core subsidiary, as well as officers and corporate officers, with the aim of deepening their understanding of the duties and responsibilities of directors.

In fiscal 2020, training was implemented on the theme of ROIC (return on invested capital) management and competition law with the aim of enhancing corporate value and compliance awareness. In fiscal 2021 we plan to hold training on the themes of sustainable management and management analysis.



Scene of training for executives

Remuneration of directors

To continuously enhance our corporate value and strengthen our corporate competitiveness, the remuneration of directors is ranked and structured in consideration of such factors as securing and retaining talented human resources and increasing their motivation to achieve better business performance.

At a Board of Directors meeting held on February 25, 2021, a policy was approved for determining the content of remuneration, including the remuneration of individual directors. In deciding the policy, the Board of Directors referred the matter to the Nomination and Compensation Committee and received its report.

A director's remuneration consists of a fixed basic remuneration, a performance-linked annual bonus as a short-term incentive, and a performance-linked stock remuneration scheme as a medium- to long-term incentive. The basic remuneration (cash remuneration) is decided in consideration of such factors as the standard amount in accordance with the director's position and so on, consolidated business performance, assessment of the business performance of the relevant division and

individual, and levels in listed companies with about the same business scale as the Company. The annual bonus, a short-term performance-linked remuneration, is calculated in consideration of business performance in the fiscal year and degree of improvement and target achievement since the previous year with the aim of increasing awareness of the need to contribute to sustained business growth and enhanced corporate value. It is paid to directors (excluding outside directors) after approval by the Shareholders' Meeting. The stock remuneration scheme is aimed at increasing the awareness of directors of the need to contribute to medium- to long-term business growth and enhanced corporate value. In principle, company shares are issued at the time of a director's retirement through a trust set up by the Company commensurate with the number of points granted according to position and degree of achievement of mid-term management plans.

In view of their role and independence, auditors receive only the fixed basic remuneration.

Internal control system

To strengthen the management foundation, the GS Yuasa Group has improved the system and relevant rules to ensure the maintenance of ethical business practices based on the Companies Act. This system includes mechanisms to ensure effective auditing, information management, and risk management throughout the Group.

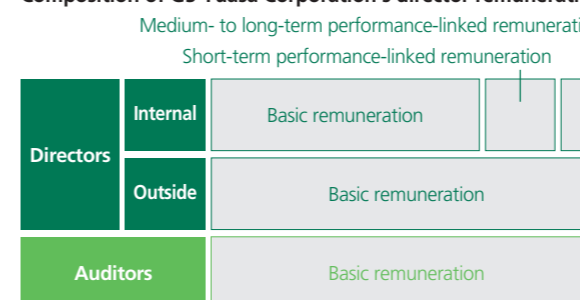
To comply with the internal control reporting system required under the Financial Instruments and Exchange Act, we are maintaining an internal control system and financial reporting mechanisms to meet all requirements. Our international subsidiaries and other consolidated Group companies evaluate the status of the improvement and implementation of internal controls. Following external audits, reports on these internal controls are publicly disclosed.

Total amount of remuneration, etc. by category and number of applicable persons

Category	Total amount of remuneration, etc. (million yen)	Number of applicable persons
Directors (excluding outside directors)	202	6 (including 2 retirees)
Auditors (excluding outside auditors)	49	2 (2 incumbents)
Outside directors/auditors	58	5 (3 incumbent directors + 2 incumbent auditors)

Note: The above figures are the total amount of remuneration, etc. paid to directors by GS Yuasa and our subsidiaries.

Composition of GS Yuasa Corporation's director remuneration



Corporate Governance

Cross-shareholding

Cross-shareholding is the possession of shares of other companies for purposes other than pure investment. Possession of the shares of business partners and others can be expected to help maintain medium- to long-term relations, expand business, and promote synergy. If it is deemed that the possession of such shares will enhance our corporate value and benefit our shareholders and investors, we go ahead and hold such shares. Accordingly, every year the Board of Directors examines the rationale behind the possession of specific shares. If it is decided that there is no rationale for possessing them, efforts are made to reduce them.

Risk management

Basic approach

Risk management is essential for the lasting growth of a company. The GS Yuasa Group believes that the following two points are important as risk management so that crises stemming from the escalation of risks do not occur and exert a serious impact on the Group or on society.

First, by predicting and understanding risks and adopting appropriate preliminary measures, the escalation of risks (outbreak of crises) can be prevented (risk avoidance). Second, effective measures can be taken beforehand so that even if a crisis does occur, losses and other damage are kept to a minimum (risk reduction). Based on this approach, our Group has formulated risk management rules that stipulate the responsibilities of employees and our risk management promotion setup.

The Group Risk Management Committee

The Group Risk Management Committee, headed by the president and consisting of the chairs of departmental Risk Management Committees among others, holds semiannual meetings to promote group-wide risk management and to encourage the sharing of key information related to risk management. In addition to making decisions on measures to promote risk management, the Risk Management Committee confirms that the appropriate risk management measures have been implemented, and the committee chairs report on progress in this area. We also actively exchange opinions and share information on the different styles of risk management and so on.

Risk management activities

In accordance with our risk management rules, each department uses a risk management sheet and promotes risk management activities. The following is an outline of these activities:

- Step 1:** Identification of risks by departments and employees
- Step 2:** Decision on “basic response” to avoid and reduce risks
- Step 3:** Monthly confirmation by each department of the status of implementation of related measures

In the event of the outbreak of a critical incident, the department enters the details of the incident, as well as a summary of its response, investigation of the cause, and measures taken to prevent a reoccurrence, in “a risk management sheet.” Risk management is strengthened by reflecting these preventive measures in the basic response and checking the status of their implementation each month.

The risk management sheets produced by the departments are compiled at the divisional level, and the directors in charge of the divisions and auditors verify and assess the status of response through the Risk Management Committee. The deliberations by the committees are summarized and then fed back to each department and employee as required to enhance the effectiveness of risk management.

System for dealing with crises

To prepare for the possibility that a risk materializes, we have established a system that includes an emergency

contact network to swiftly implement crisis management. If a serious crisis occurs, members from the Group Risk Management Committee will be appointed to organize a crisis management headquarters, under the president, to minimize corporate losses, and an effective response will be implemented swiftly and with appropriate care.

Compliance

Basic approach

By training our personnel according to our philosophy of innovation and growth while manifesting our commitment to society and preserving the global environment, we are ensuring that all employees are guided in their behavior focusing on compliance with laws, company regulations and ethical standards.

The Compliance Declaration made by the president states that success must never be achieved through legal and moral infringements and that “establishing rules and structure” and “developing a strong sense of commitment to realize compliance” are essential to becoming a corporate leader in compliance. Based on these guidelines, multifaceted compliance promotion activities are developed at every employee level, and each employee is encouraged to incorporate self-directed and proactive actions to yield an effective improvement in compliance awareness.

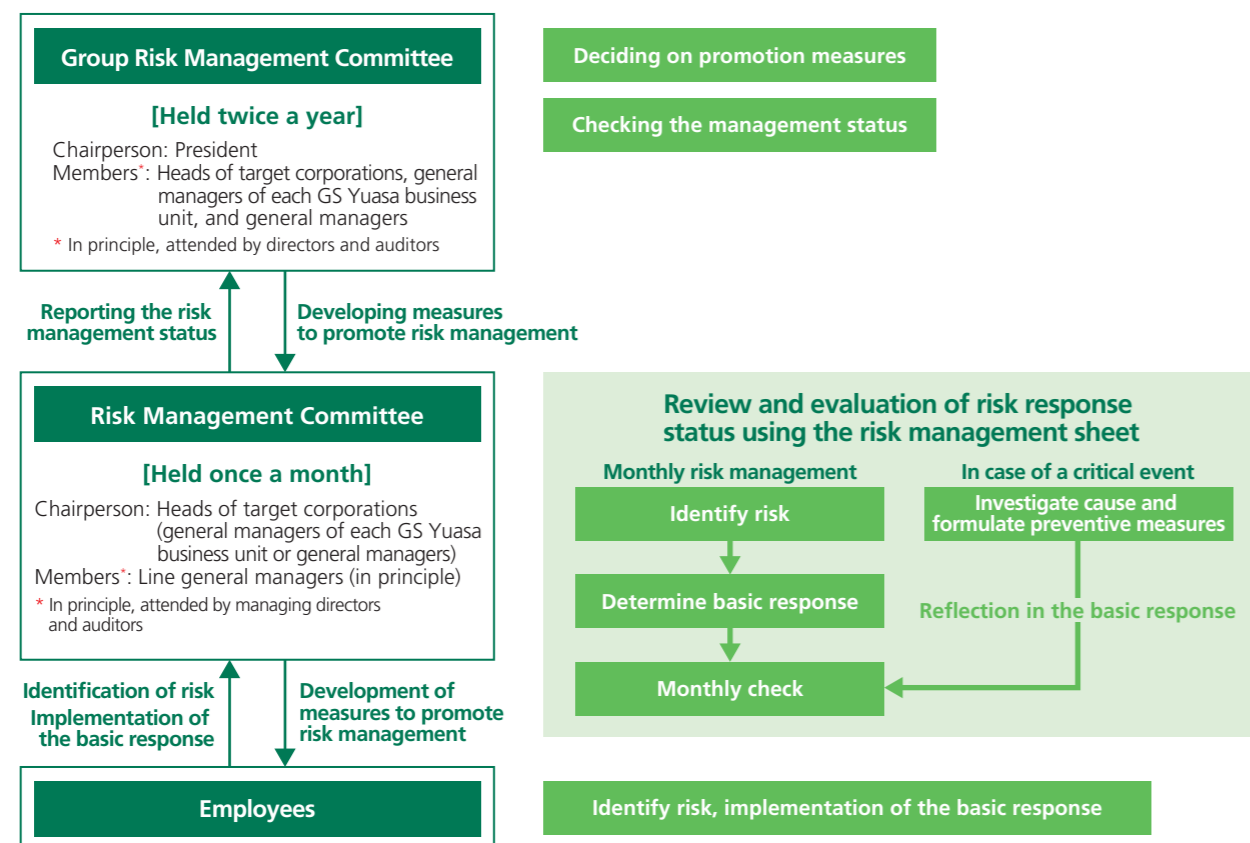
Permeation of compliance awareness

The CSR Manual which delineates rules for adherence by every corporate Group member is distributed to all employees to facilitate permeation of compliance awareness.

This manual clarifies the Group’s CSR policy. It outlines the behavioral standards that each employee must follow during business activities.

Furthermore, to enable employees to act as per the behavioral criteria, the manual delineates concrete examples of compliance and risk actualization and provides a diagnostic checklist to help employees assess their own adherence to corporate behavioral standards. In addition, the manual details how to use the internal whistleblower system and introduces an emergency contact system for use in a crisis to realize quick responses to compliance infringements.

Structure and functions of risk management



Note: Risk information are shown on pp. 102–104.

Corporate Governance

Workplace meetings on CSR

Workplace meetings on compliance were initiated in fiscal 2012 as a means of allowing compliance awareness to permeate to each and every employee, and have been conducted for nine consecutive years through till fiscal 2020.

Transitioning into “workplace meetings on CSR” from fiscal 2018, these meetings introduced various topics aligned with CSR policy and are now being expanded to 17 Group companies within Japan in addition to the 378 GS Yuasa workplaces.

The educational materials used in the meetings have been made by the division in charge for each topic and include content related to the circumstances of the Group. Vigorous debates have been conducted and 97% of the workplaces rate these as meaningful. We intend to continue running these meetings while constantly upgrading the content.

Examples of themes of CSR workplace meetings

- Corporate philosophy
- CSR Policy and Code of Conduct
- Diversity
- Preventing intentional wrongdoing
- Handling confidential information
- Subcontracting laws
- Personal information protection
- Security trade controls
- Intellectual property
- Respect for human rights
- Sexual/power harassment
- Management of working hours
- Occupational health and safety
- Product safety
- Specific facility reports
- Global warming and corporate responsibility
- Promotion of supply-chain CSR activities

GS Yuasa Group corporate ethics hotline

The GS Yuasa Group has formulated “corporate ethics hotline regulations” and set up a “corporate ethics hotline.” Accessible both internally and externally, the hotline enables employees of the Group and business partners and others to provide information anonymously if they become aware of any violation of the law or company regulations, unethical or inappropriate conduct, or danger of such conduct by a Group employee, etc.

In fiscal 2020, there were 4 reports relating to harassment and other matters (7 received in fiscal 2019). While remaining committed to protecting whistleblowers, we conduct inquiries and take appropriate action on these matters.

Elimination of antisocial forces

The GS Yuasa Group clearly disavows contact “with personnel or organizations of organized crime,” in its CSR Policy while its CSR Code of Conduct similarly stipulates “separation from organized crime,” stating a specific policy that, “we will not provide any form of benefit in excess of the normal shareholder's right to any person or company associated with organized crime” and “we will cut off business or any other relationships with individuals and organizations having an indication of support for organized crime.” This policy and the Code of Conduct have been shared with all Group employees.

Information security

The GS Yuasa Group places importance on efforts to ensure information security. Through the regular monitoring of communications by an outside security service, the introduction of an illegal connection detection system and other measures, we endeavor to prevent illegal access to our in-house network and forestall damage.

We promote awareness-raising activities so that our employees follow our procedures for the management of information system usage. To prevent the outflow of confidential information, we conduct the encryption of personal computer data taken outside the company, the distribution of an information security handbook, the implementation of e-learning, and so on.

Furthermore, based on domestic security standards, we conduct surveys of security measures in overseas Group companies and give guidance to address vulnerabilities.

Intellectual property

The GS Yuasa Group sees intellectual property, the result of technological development, as one of our important assets. Every year we file about 300 patent applications in Japan and about 150 overseas. Our basic policy is to protect our Group's outstanding technology through aggressive patent applications and to maintain the trust of our customers by eliminating imitation products.

Since fiscal 2019, in addition to our ongoing slate of activities, we have been promoting efforts related to patent analysis and *Koto Zukuri* (service creation) patents and also focusing on intellectual property risk aversion in our overseas Group companies, thereby supporting the promotion of new businesses and worldwide business from the perspective of intellectual property. Furthermore, we are pursuing ongoing countermeasures, including exposing and litigating against injurious overseas counterfeit products, to ensure the reliability of available products for our customers.

Communication with stakeholders

GS Yuasa Corporation endeavors to communicate with shareholders, investors, and other stakeholders through various channels.

As investor relations activities, in addition to financial results briefing every quarter, we regularly hold specific interviews with institutional investors, briefings for individual investors, and other events. Furthermore, we make use of our website to actively transmit information.

We endeavor to share opinions obtained on these occasions among top management and reflect them in our management and business activities.

Record of IR activities (FY2020)

Target	Activity content	Frequency
Shareholders	Shareholders' Meeting	Once
	Financial results briefing	4 times
Institutional investors and analysts	Specific interviews	Japan: 172 times Overseas: 21 times
	Conferences	3 times
	Small meetings	5 times
Individual investors	Briefing for individual investors	Once

*Due to the impact of COVID-19 pandemic, the briefing for individual investors was held only once and online in FY2020. (It was held seven times in FY2019.) For that reason, we have revamped our website pages for individual investors to expand the information available, including an explanatory video for individual investors and reference materials.

Corporate Governance

CSR management

Basic approach

“Innovation and Growth,” our corporate philosophy, is the basis of the GS Yuasa Group’s CSR. By developing new technologies and reforming our business processes without being bound by convention, we aim to generate innovation and, as a result, drive sustainable growth by expanding earnings and contributing to people, society and the global environment. This is the basis of our CSR. Furthermore, by responding swiftly through our business to global social issues and the needs and expectations of interested parties, we aim to become a company in which society places long-term trust and hopes for us to remain a presence into the future.

CSR Policy and Code of Conduct

The GS YUASA CSR Policy and Code of Conduct, formulated in May 2017 as the President’s Policy, are the foundation of the Group’s CSR activities. In the GS Yuasa Group, all employees understand that CSR activities are business activities, and all participate based on our CSR Policy and Code of Conduct in order to ensure the sustainable development of society and business.

CSR Policy

Besides legal compliance, we respect international norms, guidelines, and initiatives related to social responsibility, work on sustainable development of our business through developing energy storage technologies, and contribute to people, society, and the global environment.

* Our CSR Policy and Code of Conduct are available on our website:
 ▶ <https://www.gs-yuasa.com/en/csr/policy.php>

CSR promotion process

The GS Yuasa Group has established a process based on our CSR promotion plan and is committed to implementing CSR through business activities. The goal of this process is to enhance corporate value and stakeholder satisfaction by incorporating our corporate philosophy into the process.

We have formulated management and CSR policies to serve as evaluation criteria for decision-making to facilitate realization of our corporate philosophy. Regarding the major areas of CSR policy, we have compiled the CSR Code of Conduct and individual policies that clarify specific directions and concrete behavioral standards.

Furthermore, in order to incorporate our CSR policy in our business strategy process and put it into practice, we have formulated a corporate plan that takes into account stakeholder needs and expectations while addressing social issues. We are committed to achieving our plan through the application of multiple management systems based on existing business processes. Performance of operational processes is evaluated by the CSR Committee, chaired by the officer in charge of CSR, ensuring continuous improvements.

CSR promotion initiatives

Phase	Period	Target
First stage	FY2016 –17	Create processes to deal with the CSR issues in relation to our business strategy (Fourth Mid-Term Management Plan)
Second stage	FY2018	Analyze and evaluate our performance using these processes and then make improvements
Third stage	FY2019	Establish business processes that incorporate CSR issues into our business strategy (Fifth Mid-Term Management Plan)
Fourth stage	FY2019 onward	Implement CSR activities in all of our business processes to ensure sustainable social and corporate growth

CSR promotion framework

