

Internal Policy

AIONION has stipulated its basic policy on internal control systems as set forth below. AIONION shall endeavour to establish and operate its internal control systems more effectively, through continuous evaluation of the implementation of the internal control systems under this policy as well as taking measures AIONION for its improvement, and conducting consistent reviews of this policy responding to changes in the business environment.

1. Systems for ensuring compliance with the laws and AIONION's deed in the performance of duties by partners and employees

- 1) Partners and officers shall, through AIONION Management Policy that contains rules and concepts to be shared by AIONION and its subsidiaries (the "AIONION Group"), take the lead in practicing AIONION Group Charter of Corporate Behaviour and AIONION Group Code of Conduct that were adopted to establish business ethics standards for AIONION Group and to ensure compliance by partners and employees with laws, and its internal rules, and promote their thorough understanding by way of repeatedly transmitting information about importance of complying with them.
- 2) Internal Control Division shall prompt an understanding and implementation of AIONION Group Charter of Corporate Behavior and AIONION Group Code of Conduct throughout the AIONION Group. Internal audit team shall conduct internal audits on the compliance with laws and regulations, AIONION's internal rules at each division and make reports on any deficiencies or non-compliance and proposals for improvements.
- 3) A partner shall report to corporate auditors on any material violation of laws and regulations or any material facts relevant to the violation of laws and internal rules immediately upon his or her finding, and shall also report to the Partners of the firm without delay.
- 4) AIONION shall endeavor to uncover any violation of laws and regulations within AIONION or any violation or suspected violation of AIONION Charter of Corporate Behavior or AIONION Code of Conduct at an early stage by prompting the use of "Compliance".

- 5) Risk Control and Compliance shall deliberate on investigating causes of, formulating preventative measures on, and disclosing the information of, irregularities within AIONION. Internal Control Division shall promote preventative measures formulated by the Risk Control and Compliance.
- 6) AIONION shall interdict any and all relationship with antisocial factions and groups which threaten the order and safety of the civil society, and respond to them in corporate-wide and uncompromising manner in close association with outside professionals such as the police.

2. Matters regarding the retention and management of information relating to the performance of duties by Partners

- 1) As for information security, AIONION shall clearly provide the responsibilities of relevant organizations regarding information security, and shall establish information security management systems designed to continuously implement measures to maintain and improve information security pursuant to the Basic Rules on Information Security.
- 2) AIONION shall properly create, store and control various types of documents and records relating to the duties of Partners and employees in accordance with applicable laws and the Basic Rules on Document Management.
- 3) AIONION shall store and manage documents for the performance of duties by partners, including the minutes of meetings of Partners and documents relating to the matters of importance on business operations, in an easily retrievable form for the review at any time by partners and auditors.
- 4) AIONION shall properly manage trade secrets pursuant to the Rules for Trade Secret in accordance with management rules corresponding to the degree of confidentiality.
- 5) AIONION shall strictly control personal information in accordance with laws, regulations and the Rules of Protection of Personal Information.

3. Rules and other systems for risk management

- 1) AIONION shall implement risk management systems effectively and comprehensively under the consistent policy throughout AIONION Group in accordance with the Basic Rules on Risk Management.
- 2) Business divisions shall endeavour to identify risks related to their assignment, select risks against which they should introduce control measures on a priority basis, decide on concrete risk control policies and measures, and properly conduct risk controls.
- 3) Firm staff divisions shall endeavour to identify risks related to their assignment, select risks against which they should introduce control measures on a priority basis, decide on concrete risk control policies and measures, properly conduct risk controls, and furthermore give corporate-wide support to risk control activities conducted by business divisions related to such assignment.
- 4) Business divisions and corporate staff divisions shall sort out risks which disturb the proper and effective operations of their own divisions, and properly conduct risk controls.
- 5) Internal Control Division shall provide necessary support, coordination and instructions so that risk management systems at business divisions and staff divisions shall be systematically and effectively implemented.
- 6) Risk Control and Compliance shall deliberate on important matters related to risk management.
- 7) Business divisions and staff divisions shall, when they recognize presence of serious risks or any sign of emergence of serious risks related to AIONION Group's business, promptly report the situation to the corporate staff divisions concerned and the Internal Control Division, and, if the risks are of particular seriousness, report them to partners.

4. Systems for ensuring the efficient performance of duties by Partners

- 1) The Partners shall delegate its authorities to officers and promote timely decision-making and effective performance of duties.
- 2) The ordinary meetings of the Partners shall be held where necessary to make decisions in a timely manner.
- 3) The Partners shall resolve on midterm management goals of AIONION and annual budget, and shall monitor implementation of those goals and budget.
- 4) The performance of the duties by partners and officers shall be properly report to the Partners.
- 5) Officers and other employees shall competently and efficiently perform their duties in accordance with the Rules on Internal Authorization and the Rules on Authorization for Daily Operation.

5. Systems for ensuring the proper operation of AIONION Group

- 1) AIONION shall, through AIONION Group Management Policy, give instructions and assistance to subsidiaries for the establishment of the systems ensuring compliance with laws and regulations and fairness of the operation of business.
- 2) AIONION shall, in order to improve the soundness and efficiency of management systems in AIONION Group, dispatch Partners and auditors where necessary and decide on a division in charge of supervising each of the subsidiaries, and such division in charge shall exchange information, and consult, with such subsidiary regarding matters of importance on business operations.
- 3) When required for improving the soundness of management systems as well as ensuring proper operations of AIONION Group, matters of importance on business operations of subsidiaries shall require the approval by AIONION, and matters of particular importance shall be discussed and submitted to the Partners of AIONION for approval.
- 4) The Internal Auditing team shall conduct audits of subsidiaries through cooperation

with their internal auditing sections to ensure their proper operations.

- 5) From the perspective of proper and efficient operations of AIONION Group, AIONION shall endeavour to conduct improvement and standardization of business processes, and further strengthen its internal control utilizing information systems. Each division and subsidiary of AIONION shall perform such activities with the support of corporate staff divisions concerned.

6. Systems for ensuring reliability of financial reporting

- 1) Internal control over financial reporting of AIONION shall be evaluated, maintained and improved in accordance with Financial Products with applicable laws and regulations.
- 2) Each division and subsidiary of AIONION shall ensure the appropriate financial reporting in performing their own duties, through segregation of duties and daily monitoring.

7. Matters regarding employees assisting internal auditors and the independence of such employees from Partners

AIONION shall establish the Internal Auditors with full-time employees to assist corporate auditors in performing their duties. Matters regarding such employees, including performance review, personnel change and disciplinary action, shall be approved by auditors.