

Corporate Governance

Corporate Value Enhanced by Highly Transparent Management and Strict Upholding of Corporate Ethics

To enhance corporate value, Ono believes that our important management tasks lie not only in achieving strict compliance with laws and regulations, but also in improving transparency in corporate management and in strengthening the functioning of management control.

To this end, the organizational framework of Ono's management includes the (Board of) Auditors. Bolstering corporate governance is a priority, focusing on functional reinforcement of the Board of Directors and the Board of Auditors.

The Board of Directors meets at least once a month aiming at expediting decision-making by boosting corporate dynamic action. For that purpose we endeavor to ensure that the Board is comprised of the appropriate number of directors. In the process of decision-making by the Board, comments and advice from legal and other external experts are obtained as necessary so that appropriate consensus can be formed.

The Board of Auditors fulfils its role through its members attending the Board of Directors meeting and other key meetings, receiving reports from directors, and auditing the execution of duties by directors via interviews. As to external auditors, a lawyer and a certified public accountant are on the Board, providing audit from objective and expert perspectives. Important operational management matters are discussed in meetings at different levels according to the significance and content of the business agenda, including the Management Strategy Meeting attended by the President and heads of headquarters,

plus meetings organized by directors and heads of headquarters. Here again, appropriate operational management should take place, using mutual monitoring, in decision-making, and referral to the Board of Directors being made through careful deliberation.

With regard to our system of internal control, the Board of Directors meeting held on May 9, 2006 resolved that "a system for ensuring appropriateness of the company's operations" should be in place. To this end, such a system was created and is constantly under review, so as to strengthen and improve operational compliance as well as overall internal control. Furthermore, we adopt a firm stance against any antisocial force or organization that may threaten social order or security.

Corporate Governance Structure

