

Audit and Supervisory Committee Audit Report Templates

Japan Audit & Supervisory Board
Members Association (the “Association”)

Enacted on November 10, 2015

1. These “Audit and Supervisory Committee Audit Report Templates” (these “Templates”) set out the formats, terms, and the like of the audit reports provided for in the Companies Act for the purpose of serving as a reference when audit and supervisory committees prepare those audit reports.

Audit reports are to be prepared based on the actual conditions of the audits of the relevant company. Audit and supervisory committees are strongly expected to prepare audit reports that accurately reflect the actual conditions of audits in accordance with the Companies Act, the Ordinance for Enforcement of the Companies Act, the Ordinance on Accounting of Companies, and the like. In regard to statements to be included in audit reports in cases such as when performing audits that actively incorporate the views set out in the “Code of Audit and Supervisory Committee Auditing and Supervising Standards” established by the Association and reflecting those views in the audit reports, there are many example statements provided in the notes, so please actively use those examples as a reference.

2. In regard to audit reports prepared by audit and supervisory committees, there are separate provisions under laws and regulations regarding the preparation of audit reports concerning business reports and supplementary schedules thereto (“Business Reports, Etc.”) and audit reports concerning accounting documents and supplementary schedules thereto (“Accounting Documents, Etc.”). However, audits performed by audit and supervisory committees concerning Business Reports, Etc. and those concerning Accounting Documents, Etc. are closely related and have many similarities. Therefore, the preparation method used in these Templates is to prepare the audit report concerning the Business Report, Etc. and the audit report concerning the Accounting Documents, Etc. for each business year together as a single document. Under laws and regulations, the period for audits by audit and supervisory committees concerning Business Reports, Etc. is four weeks, while the period for audits by accounting auditors concerning accounting documents is four weeks followed by an additional week for audits by audit and supervisory committees. Therefore, if preparing the audit report concerning the Business Report, Etc. and the audit report concerning the Accounting Documents, Etc. together as a single document in the same way as these Templates, please note that it may be necessary to extend the period for the audit of the Business Report, Etc. by agreement with the specified directors.

These Templates assume that the audit report concerning the consolidated accounting documents will be prepared together with the audit report concerning the Business Report, Etc. and the audit report concerning the non-consolidated Accounting Documents, Etc. as a single document. In order to address companies such as those that choose to separately prepare audit reports concerning consolidated accounting documents or those that are not required to prepare consolidated accounting documents, explanations regarding how to handle such cases are provided in the notes.

3. In regard to the “Method and Contents of Audits” section in audit reports, it is necessary to clearly and concisely state the methods of the audits actually performed by the audit and

supervisory committee while giving consideration so that it is possible to accurately judge the reliability of the audit. However, it is expected that the methods and contents of audits in each company will have their own characteristics due to factors such as differences in the company's scale, business format, organization, and establishment and operation status of internal control systems, etc., and in order for the users of the audit reports to understand those characteristics, it is also possible to state the "Method and Contents of Audits" section in audit reports more specifically. In these Templates, notes and explanations as appropriate have been added to places where a variety of possible statements are anticipated, so please refer to those notes, etc. when preparing the audit reports.

Naturally, audit reports are to be prepared on the basis of the audit and supervisory committee members performing their duty of care. In order to demonstrate that audit and supervisory committee members have fulfilled that duty, it is necessary for the audit and supervisory committee to clearly set out auditing standards and maintain audit records, minutes of audit and supervisory committee meetings, and the like.

4. These Templates are intended for companies that are both public companies and large companies as provided for in the Companies Act, and these Templates have been prepared mainly in consideration of listed companies. For audit and supervisory committees of other types of companies, please prepare audit reports using these Templates as a reference as appropriate while taking matters such as the audit environment of the company into consideration.

5. If a company prepares temporary accounting documents, the audit and supervisory committee must prepare an audit report concerning those documents. In this case, please prepare the audit reports concerning the temporary accounting documents using the statements, etc. regarding audits of accounting-related documents in these Templates as a reference.

I. Audit Report Concerning Business Report, Etc. and Audit Report Concerning Accounting Documents, Etc. (Combined Audit Report Including Audit Report Concerning Consolidated Accounting Documents) (Note 1)

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| [Date] | |
| [TBD] Co., Ltd. Representative Director and President, [TBD] (Note 2) | Audit and Supervisory Committee (Note 3) |
| Submission of Audit Report | |
| The audit and supervisory committee has prepared an audit report pursuant to Article 399-2, paragraph (3), item (i) of the Companies Act and hereby submits it as enclosed (Note 4). | |
| End | |

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| Audit Report |
| The audit and supervisory committee has audited the directors' performance of their duties for the [TBD] business year from [TBD] to [TBD] and reports as follows in regard to the method and results of those audits. |
| 1. Method and Contents of Audits (Note 5) |
| In regard to the content of resolutions of the board of directors regarding the matters stated in Article 399-13, paragraph (1), items (i)(b) and (i)(c) of the Companies Act, as well as the systems developed pursuant to those resolutions (i.e., internal control systems) (Note 6), the audit and supervisory committee periodically received reports from directors and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto, in addition to which the audit and supervisory committee conducted audits using the following methods. |
| (i) In accordance with the audit policies (Note 7) and division of duties, etc. (Note 8) determined by the audit and supervisory committee (Note 9), and in cooperation with the internal control department of the company (Note 10), the audit and supervisory committee attended important meetings, received reports from directors and employees, etc. regarding matters related to the performance of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the head office and main business locations (Note 11). Additionally, in regard to subsidiaries, the audit and supervisory committee communicated and exchanged information with the directors and audit and supervisory board members, etc. of subsidiaries and received reports on business from subsidiaries as necessary. (Note 12) |
| (ii) In regard to the basic policies provided for in Article 118, item (iii)(a) of the Ordinance for Enforcement of the Companies Act, the efforts provided for in item (iii)(b) of that article (Note 13), the matters given due consideration provided for in item (v)(a) of that article, and the judgment and reasons provided for in item (v)(b) of that article (Note 14), each as stated in the business report, the audit and supervisory committee considered the contents thereof taking into account matters such as the status of deliberations at meetings of the board of directors and other deliberations. |
| (iii) The audit and supervisory committee oversaw and verified whether the accounting auditor maintained an independent position and conducted an appropriate audit, received reports from the accounting auditor on the status of the performance of its duties, and requested |

explanations as necessary. Additionally, the audit and supervisory committee received notification from the accounting auditor that, in accordance with the “Quality Control Standards for Audits” (Business Accounting Council, October 28, 2005), etc., it had developed systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary. (Note 15)

Using the methods above, the audit and supervisory committee examined the business report, the supplementary schedules thereto, the accounting documents (i.e., the balance sheet, statement of income, statement of changes in net assets, and explanatory notes to accounting documents (Note 16)), the supplementary schedules to the accounting documents, **and the consolidated accounting documents (i.e., the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and explanatory notes to consolidated accounting documents)** for the business year. ■

2. Audit Results (Note 17)

(1) Results of audit of business report, etc.

- (i) We find that the business report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the articles of incorporation.
- (ii) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the articles of incorporation in relation to the directors’ performance of their duties (Note 18). (Note 19)
- (iii) We find the content of the resolutions of the board of directors regarding internal control systems to be reasonable. (Note 20) Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or the directors’ performance of their duties relating to the internal control systems. (Note 21)
- (iv) We find the basic policy regarding persons who control the determination of financial and business policies of the company stated in the business report to be reasonable. We find that the efforts provided for in Article 118, item (iii)(b) of the Ordinance for Enforcement of the Companies Act stated in the business report are in compliance with that basic policy and do not harm the common interests of the shareholders of the company, and that their purpose is not to maintain the positions of the directors of the company. (Note 22)
- (v) In regard to transactions with parent companies, etc. stated in the business report, we do not find any matters that should be commented upon in regard to the matters given due consideration so that the interests of the company are not harmed when engaging in such transactions (Note 23), the judgment of the board of directors regarding whether or not such transactions harm the interests of the company, and the reasons for that judgment (Note 24).

(2) Results of audit of accounting documents and supplementary schedules thereto

We find the methods and results of the audit by the accounting auditor, [TBD] (Note 25), to be reasonable. (Note 26)

(3) Results of audit of consolidated accounting documents

We find the methods and results of the audit by the accounting auditor, [TBD] (Note 27), to be reasonable. (Note 28)

3. Opinion of Audit and Supervisory Committee Member [Name] (If there are differing audit opinions) (Note 29)

4. Subsequent Events (If material subsequent events have occurred) (Note 30)

[Date] (Note 31)

[TBD] Co., Ltd.; Audit and Supervisory Committee

Audit and Supervisory Committee Member [Name] [Seal]

Audit and Supervisory Committee Member [Name] [Seal]

Audit and Supervisory Committee Member [Name] [Seal]

Audit and Supervisory Committee Member [Name] [Seal]

(Signatures) (Note 32)

(Note) Audit and Supervisory Committee Members [TBD] and [TBD] are outside directors provided for in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act. (Note 33)

- (Note 1) These Templates are to be used when preparing the audit report concerning the Business Report, Etc., the audit report concerning the Accounting Documents, Etc., and the audit report concerning the consolidated accounting documents together as a single document. If separately preparing the audit report concerning the consolidated accounting documents, please delete the underlined portions of the main text of these Templates.
- (Note 2) Audit reports are to be submitted to the “specified directors” pursuant to Article 132, paragraph (1) of the Ordinance for Enforcement of the Companies Act and Article 132, paragraph (1) of the Ordinance on Accounting of Companies. For companies with an audit and supervisory committee, it is likely that in many cases, the “specified directors” will be the representative directors or the directors who performed duties relating to the preparation of the business report and Accounting Documents, Etc. (please refer to Article 132, paragraph (4) of the Ordinance for Enforcement of the Companies Act and Article 130, paragraph (4) of the Ordinance on Accounting of Companies), so state the titles and names of those persons.
- (Note 3) The handling of the seal of the audit and supervisory committee on the cover sheet follows the internal regulations of the company.
- (Note 4) The cover sheet provided assumes that the audit report is submitted in writing. The audit report can be prepared by electronic or magnetic methods, and in that case, certain revisions will be necessary, such as changing “as enclosed” to “as attached.”
- (Note 5) In regard to “1. Method and Contents of Audits,” please note that a more specific description of the methods and contents of the audits actually conducted is required. It is expected that stating the specific methods and contents will lead to greater understanding by the users of the audit report. In particular, in cases where there are audit items specific to the company for the period under review, such as if there is an audit item set as an important audit matter and given particular focus when conducting the audit (a priority audit item), it is preferable to make specific statements, such as “... determined by the audit and supervisory committee, setting [TBD] as a priority audit item, and in cooperation with the internal control department of the company, the audit and supervisory committee attended important meetings ...”
- (Note 6) These Templates refer to the systems actually developed pursuant to resolutions by the board of directors regarding the matters stated in Article 399-13, paragraph (1), items (i)(b) and (i)(c) of the Companies Act as “internal control systems.” For the phrase “internal control systems,” please consider the appropriate term to use based on the actual conditions of the company, such as “overall systems relating to the internal controls of the company.” It is also possible to refer to the specific headings and page numbers, etc. in the business report.
- (Note 7) “Audit policies” can be changed to “audit policies for the period under review” if you wish to clearly state that the audits were performed in accordance with the audit policies for the period being audited. Additionally, it is also possible to specifically state the audit policies for the period under review.

- (Note 8) “Audit policies and division of duties, etc. determined by the audit and supervisory committee” includes the appointment of “audit and supervisory committee members appointed by the audit and supervisory committee” stated in provisions such as Article 399-3, paragraphs (1) and (2) of the Companies Act.
- (Note 9) If the audit and supervisory committee has established audit and supervisory committee auditing and supervising standards, it is preferable to include a statement such as, “In compliance with the audit and supervisory committee auditing and supervising standards established by the audit and supervisory committee, in accordance with the audit policies and division of duties, etc., ...”
- (Note 10) For “internal control department of the company,” please state the appropriate department name, etc. in accordance with the actual conditions of the company, such as “the internal audit department and other departments responsible for internal controls of the company.”
- (Note 11) For “attended important meetings ... and inspected the status of operations and assets at the head office and main business locations,” use an appropriate expression based on the actual conditions of audits in the company. For example, depending on the composition of audit and supervisory committee members, the status of the establishment and operation of internal control systems, and the status of cooperation with the internal control department, it is also possible to include a statement such as “... inspected the process and contents of decision-making at important meetings, etc., the contents of principal decision-making documents and other important documents, etc. relating to business execution, the status of the performance of duties by the directors (and other principal employees, etc.), and the status of the operations and assets of the company.”
- (Note 12) “Received reports on business from subsidiaries as necessary” does not mean that audit and supervisory committee members appointed by the audit and supervisory committee exercised their rights to investigate the status of operations or financial status of a subsidiary provided for in Article 399-3, paragraph (2) of the Companies Act but instead refers to day-to-day or general audit activities relating to subsidiaries. If audit and supervisory committee members appointed by the audit and supervisory committee exercised their rights to investigate the status of operations or financial status of a subsidiary, it is possible to include a statement such as “requested reports on business from subsidiaries as necessary, and investigated the status of the operations and finances of subsidiaries.”
- (Note 13) The statement regarding “the basic policies provided for in Article 118, item (iii)(a) of the Ordinance for Enforcement of the Companies Act, the efforts provided for in item (iii)(b) of that article ... stated in the business report” applies to cases in which the company has established takeover defense measures. It is not necessary to include this statement if the matters listed in Article 118, item (iii) of the Ordinance for Enforcement of the Companies Act are not stated in the business report. Please also refer to Note 22.
- (Note 14) If the matters provided for in Article 118, item (v) of the Ordinance for Enforcement of the Companies Act are not stated in the business report, the statement regarding “the matters given due consideration provided for in item (v)(a) of that article, and the judgment and reasons provided for in item (v)(b) of that article ... stated in the business report” does not need to be stated in the audit report (Article 130-2, paragraph (1), item (ii) and Article 129, paragraph (1), item (vi) of the Ordinance for Enforcement of the Companies Act).
- (Note 15) The audit and supervisory committee must state “matters related to systems for ensuring that the performance of the duties of Accounting Auditor(s) is being carried out appropriately” (Article 128-2, paragraph (1), item (ii) and Article 127, item (iv) of the Ordinance on Accounting of Companies; “Systems to Ensure Appropriate Performance of Accounting Auditor Duties”) in the audit report. After receiving notification from the accounting auditor of matters relating to those systems (Article 131 of the Ordinance on Accounting of Companies; the wording of the relevant provision is “matters related to systems for ensuring that the performance of the duties of Accounting Auditor(s) is being carried out appropriately”) (the notification is to be received by the audit and supervisory committee members that are “specified audit and supervisory board members” as provided for in Article 130, paragraph (5), item (iii) of the Ordinance on Accounting of Companies), the audit and supervisory committee confirms whether those systems are developed in accordance with certain appropriate standards. In these Templates, the notification matters regarding the Systems to Ensure Appropriate

Performance of Accounting Auditor Duties and the confirmation method thereof are referred to in the sentence, “Additionally, the audit and supervisory committee received notification from the accounting auditor ... and requested explanations as necessary.” In these Templates, the “Quality Control Standards for Audits” (Business Accounting Council, October 28, 2005) are used as “certain appropriate standards,” but other standards are also important, such as the practical guidelines of the Japanese Institute of Certified Public Accountants (Quality Control Standards Committee Statement No. 1, “Quality Control for Audit Firms,” and Auditing Standards Committee Statement No. 220, “Quality Control for an Audit of Financial Statements”).

In these Templates, the results of the confirmation by the audit and supervisory committee regarding the Systems to Ensure Appropriate Performance of Accounting Auditor Duties are not stated as a separate matter but are included in the statements to the effect that the methods and results of the audit by the accounting auditor are found to be reasonable in “(2) Results of audit of accounting documents and supplementary schedules thereto” in “2. Audit Results.” If there are any matters that should be particularly emphasized or any matters that are considered appropriate to be clearly stated in regard to the Systems to Ensure Appropriate Performance of Accounting Auditor Duties, please specifically state those matters in “1. Method and Contents of Audits” or in “(2) Results of audit of accounting documents and supplementary schedules thereto” in “2. Audit Results.”

(Note 16) If the explanatory notes to accounting documents are not prepared as separate materials, please state “... the business report, the supplementary schedules thereto, the accounting documents (i.e., the balance sheet, statement of income, and statement of changes in net assets), the supplementary schedules to the accounting documents ...” (please refer to Article 57, paragraph (3) of the Ordinance on Accounting of Companies).

(Note 17) If there are any matters to be commented upon in regard to the “Audit Results” section, state that and the relevant facts clearly and concisely. If investigations necessary for audits could not be performed, state that and the reasons therefor in the relevant section. Additionally, if priority audit items are mentioned in “1. Method and Contents of Audits,” it is also possible to state matters such as the audit results for those priority audit items in “Audit Results.” The same applies in cases where statements were made in “1. Method and Contents of Audits” about matters regarding which explanations were requested or opinions were expressed in relation to internal control systems or about matters learned through communication or information exchanges with directors and audit and supervisory board members, etc. of subsidiaries that affected the audit.

When preparing the “Audit Results” section, if there are material facts relating to the status of the company, such as events or circumstances pertaining to the assumption of the company being a going concern, material accidents or damage, or material litigation, confirm the statements in the business report or other documents, consider whether statements should be made in the audit report, and include such statements if you find it necessary to do so.

(Note 18) “Performance of their duties” can also be written as “execution of their duties” in accordance with the wording used in laws and regulations (please refer to Article 130-2, paragraph (1), item (ii) and Article 129, paragraph (1), item (iii) of the Ordinance for Enforcement of the Companies Act). In these Templates, “performance of their duties” is used throughout.

(Note 19) If any misconduct or any material fact constituting a violation of laws, regulations, or the articles of incorporation in relation to the directors’ performance of their duties is found, specifically state that fact.

If the audit and supervisory committee members have publicly announced an opinion in the course of their duties, such as in cases where a third-party allotment is performed during the period under review and the opinion of the audit and supervisory committee members regarding whether it constitutes an issuance under favorable conditions is announced, it is possible to state a summary of that opinion if necessary.

(Note 20) If resolutions by the board of directors relating to internal control systems are “found inappropriate” (Article 130-2, paragraph (1), item (ii) and Article 129, paragraph (1), item (v) of the Ordinance for Enforcement of the Companies Act), it is required to specifically state that fact and the reasons therefor.

In particular, the contents of resolutions by the board of directors regarding systems to ensure the effectiveness of audit and supervisory committee audits (i.e., the matters listed in the items of Article 110-4, paragraph (1) of the Ordinance for Enforcement of the Companies Act) such as matters related to employees appointed to support the duties of the audit and supervisory committee, systems for directors and employees, etc. of the company and its subsidiaries to report to the audit and supervisory committee and other systems relating to reports to the audit and supervisory committee, systems to ensure that any person who makes a report to the audit and supervisory committee does not receive disadvantageous treatment due to having done so, and procedures for the advance payment or reimbursement of expenses arising in connection to the performance of audit and supervisory committee duties and other matters relating to policies on the handling of expenses or debts arising in connection to the performance of audit and supervisory committee duties are particularly important in order to achieve effective audits by the audit and supervisory committee, and if there is any problem, etc. in regard thereto, please proactively state that fact.

- (Note 21) If the summary of the operation status of internal control systems stated in the business report is “found inappropriate” (Article 130-2, paragraph (1), item (ii) and Article 129, paragraph (1), item (v) of the Ordinance for Enforcement of the Companies Act), it is required to specifically state that fact and the reasons therefor.

If significant corporate wrongdoing occurred in the period under review or the previous period, in most cases, it is likely that that fact and the status of measures to identify causes and prevent reoccurrence are material matters that should also be stated in the business report. The responsibility of the audit and supervisory committee is to express opinions regarding matters such as (i) whether the contents of statements in the business report are appropriate and (ii) whether any problem, etc. can be found in regard to the status of business execution in order to prevent reoccurrence taking into consideration the directors’ duty of care.

- (Note 22) This is a statement of an opinion regarding takeover defense measures, etc. and the judgment of the board of directors in regard thereto (Article 130-2, paragraph (1), item (ii) and Article 129, paragraph (1), item (vi) of the Ordinance for Enforcement of the Companies Act; if those matters are not stated in the business report, it is not necessary to state this item). Considering that the judgment and role of audit and supervisory committees in regard to the appropriateness of takeover defense measures is receiving greater attention, if there are any matters that should be commented upon, it is preferable to specifically state those matters. “The basic policy regarding persons who control the determination of financial and business policies of the company stated in the business report” and “the efforts provided for in Article 118, item (iii)(b) of the Ordinance for Enforcement of the Companies Act stated in the business report” can also be changed to refer to the specific headings and page numbers, etc. in the business report.

- (Note 23) For transactions with parent companies, etc. that require a note regarding transactions with related parties in the explanatory notes to the accounting documents, it is necessary to state the measures given due consideration so that the interests of the company are not harmed when engaging in such transactions, the judgment of the board of directors, and the reasons for that judgment in the business report (Article 118, item (v) of the Ordinance for Enforcement of the Companies Act). Additionally, if those matters are stated in the business report, the opinion of the audit and supervisory committee in regard to those matters must be stated in the audit report (Article 130-2, paragraph (1), item (ii) and Article 129, paragraph (1), item (vi) of the Ordinance for Enforcement of the Companies Act). Even if it is stated in the business report that there were no matters given due consideration so that the interests of the company are not harmed, the audit and supervisory committee must express an opinion regarding whether or not that judgment is appropriate.

- (Note 24) If the judgment of the board of directors differs from the opinion of the outside directors, that opinion must also be stated in the business report (Article 118, item (v)(c) of the Ordinance for Enforcement of the Companies Act). If the judgment of the board of directors and the opinion of the outside directors is different, then taking into account the judgment of the board of directors and the reasons therefor and the opinion of the outside directors, it is necessary for the audit and supervisory committee to sufficiently consider whether or not there are any matters to be commented upon by means such as exchanging opinions with the representative director or outside directors as necessary.

- (Note 25) State the name of the auditing firm or the name and office name of the certified public accountant.
- (Note 26) If it is found that the methods or results of the audit by the accounting auditor are not appropriate, specifically state that fact and the reasons therefor.
- (Note 27) Same as Note 25.
- (Note 28) Same as Note 26. Taking into account the status of the progress of consolidated management as well as matters such as the way that consolidated information is stated in the business report, it is also possible to state the “Results of audit of consolidated accounting documents” before the “Results of audit of accounting documents and supplementary schedules thereto.”
- (Note 29) If there is an opinion that differs from that of the audit and supervisory committee, state the name of the relevant audit and supervisory committee member, and clearly and concisely state that differing opinion and the reasons therefor.
- (Note 30) Under laws and regulations, the subsequent events that should be stated in the audit reports of the audit and supervisory committee are limited to those related to the accounting-related documents (however, any subsequent events that are included in the audit report of the accounting auditor need not be stated in the audit reports of the audit and supervisory committee; Article 128-2, paragraph (1), item (ii) and Article 127, item (iii) of the Ordinance on Accounting of Companies, and others). If there are any matters to be stated, state them specifically.
- If any material events occur after the last day of the business year that do not affect property or profits or losses, please note that the event must be stated in the business report as a material matter relating to the current status of the stock company (please refer to Article 120, paragraph (1), item (ix) of the Ordinance for Enforcement of the Companies Act).
- (Note 31) Please note that the date of preparation of the audit report is a matter required to be stated under laws and regulations (please refer to Article 130-2, paragraph (1), item (iii) of the Ordinance for Enforcement of the Companies Act and Article 128-2, paragraph (1), item (iii) of the Ordinance on Accounting of Companies).
- (Note 32) In order to ensure the authenticity of the audit report and reliability of the audits, it is preferable for each audit and supervisory committee member to sign his or her name and then affix his or her seal. If the audit report is prepared as an electronic or magnetic record, each audit and supervisory committee member must electronically sign it.
- (Note 33) For audit and supervisory committee members who are outside directors, it is preferable to indicate that fact. If there are full-time audit and supervisory committee members, it is also possible to state their titles as “Full-time Audit and Supervisory Committee Member.”

Other Matters

1. In cases such as if there was a vacancy in an audit and supervisory committee member position during the period under review, specifically note that fact in the audit report.
2. For the first business year in which a company transitions to a company with an audit and supervisory committee, it is possible to include special statements regarding the audit methods, etc. concerning matters from the start of the business year until the close of the annual shareholders’ meeting.