

**“Mission of Audit & Supervisory Board Members” and
“Mission of the Japan Audit & Supervisory Board Members Association” (*)**

September 29, 2011

Japan Audit & Supervisory Board Members Association

Sound and efficient corporate management is essential at all times, in order to ensure people's well-being and increase affluence in society. In order to attain this objective, Audit & Supervisory Board Members (“A&S Board Members”) must fully discharge their responsibilities, with the aim of establishing solid corporate governance so that corporations can be soundly managed while still continuing to grow.

The Japan Audit & Supervisory Board Members Association (“JASBA”), a public interest incorporated association, supports the work of A&S Board Members to enable them to meet the expectations of various stakeholders including shareholders and the expectations of society, by carrying out the responsibilities of A&S Board Members as provided by law. The JASBA also has the important mandate of raising the awareness of people both in and outside Japan, of the reliability and value of Japan’s A&S Board Members system.

The mission statements set out in this document are intended to state clearly the roles and mandates of A&S Board Members and the JASBA and to convey their resolve to carry out those roles and mandates effectively.

(*) In August, 2012, the Japan Audit & Supervisory Board Members Association changed its recommended English translation of “*Kasnsayaku*” from “Corporate Auditors” to “Audit & Supervisory Board Members” and thereafter in January, 2013 it changed its English name from “the Japan Corporate Auditors Association” to the current English name.

Mission of Audit & Supervisory Board Members

We aim to contribute extensively to the sound and ongoing growth of corporations and society by maintaining a fair and impartial stance in our role in upholding corporate governance.

Guidelines for Conduct of A&S Board Members

- (1) We meet the expectations of all stakeholders by undertaking continuous education, cultivating a spirit of independence and self-discipline, and being trustworthy.
- (2) We perform our daily activities as A&S Board Members with fairness and in good faith based on the principle of integrity, the precepts generally accepted in society and accurate information sourced from our on-site visits.
- (3) We strive to strengthen corporate governance by carrying out our duties as A&S Board Members in a principled and professional manner and by being accountable in all circumstances.

Mission of the Japan Audit & Supervisory Board Members Association

We aim to contribute to the creation of an affluent global community by:

- raising the awareness of people both in and outside Japan about the reliability and value of Japan's A&S Board Members system and
- establishing an effective system of corporate governance by promoting knowledge about the role and mission of A&S Board Members and making A&S Board Members more conscious of their role and mission.

Initiatives of the Japan Audit & Supervisory Board Members Association (JASBA)

- (1) We research the roles and functions of A&S Board Members and issue guidelines for conduct that meet the needs and expectations of society, so that A&S Board Members can fully discharge their responsibilities.
- (2) We offer A&S Board Members opportunities to deepen and increase their knowledge and consciousness of their role, so that they can assist corporations in performing their corporate social responsibility commitments and contribute to strengthening corporate governance.
- (3) We seek to propose the most effective form of corporate governance for Japan through broad dialogue with society, in order to increase the value of the A&S Board Members system.

**Supplementary Explanation regarding
“Mission of Audit & Supervisory Board Members” and
“Mission of the Japan Audit & Supervisory Board Members Association”**

Mission of A&S Board Members

- “in our role in upholding corporate governance”

This phrase conveys that A&S Board Members bear key responsibility, alongside corporate management, for strengthening corporate governance.

Guidelines for Conduct of A&S Board Members

- Item 1: “meet the expectations of all stakeholders”

This phrase conveys that A&S Board Members act for shareholders who have entrusted them with responsibilities, and that A&S Board Members’ accommodation of the expectations of all stakeholders in a fair manner leads in turn to increased benefit to shareholders.

- Item 2: “based on the principle of integrity”

This phrase conveys the basic approach of A&S Board Members in carrying out their auditing activities. In other words, integrity underlies A&S Board Members’ quest to obtain sufficient and accurate information.

Mission of the Japan Audit & Supervisory Board Members Association

- “contribute to the creation of an affluent global community”

Now that the JASBA is a public interest incorporated association, it is even more strongly encouraged to develop ties with society. This is also indicated in its new articles of incorporation. This phrase conveys that the JASBA, as a member of society, will make appropriate contributions to Japanese society and also to the global community, in light of this new role expected of the JASBA.

- “developing the awareness of people both in and outside Japan, about the reliability and value of Japan’s A&S Board Members system”

The functions of Japan’s A&S Board Members system have been reinforced by numerous revisions to laws and regulations applying to A&S Board

Members. At the same time, the expectations of society underlying such legal revisions have continued to increase. This phrase expresses the resolve of the JASBA to actively explain that the A&S Board Members system has earned great trust in terms of Japanese corporate practices and that the system has a substantial and adequate function, and to raise people's awareness and understanding of the A&S Board Members system, with a view to reaching the wider global community.

Initiatives of the Japan Audit & Supervisory Board Members Association (JASBA)

- Item 1: “research the roles and functions of A&S Board Members”

Many aspects of the role of A&S Board Members are provided by law; however, the term “functions” refers to the actual impact that A&S Board Members have on society by carrying out their role. The JASBA shall research what role A&S Board Members should play and consequently what functions A&S Board Members should perform.

- Item 3: “through broad dialogue with society”

The JASBA shall proactively make recommendations and offer opinions on the most effective system of corporate governance and the A&S Board Members system in Japan. Both in and outside Japan, the JASBA shall actively explain and raise people's awareness of the reliability and value of A&S Board Members.