

# Corporate Governance

Based on its management policy of maintaining a sound and proactive enterprising spirit, YMFG aims for management transparency and fair, swift and bold decision-making that will lead to sustainable growth and increases in corporate value over the medium to long term. To this end and recognizing that creating an effective corporate governance system is an important management priority, on an ongoing basis we are pursuing the initiatives described below to enhance our corporate governance.

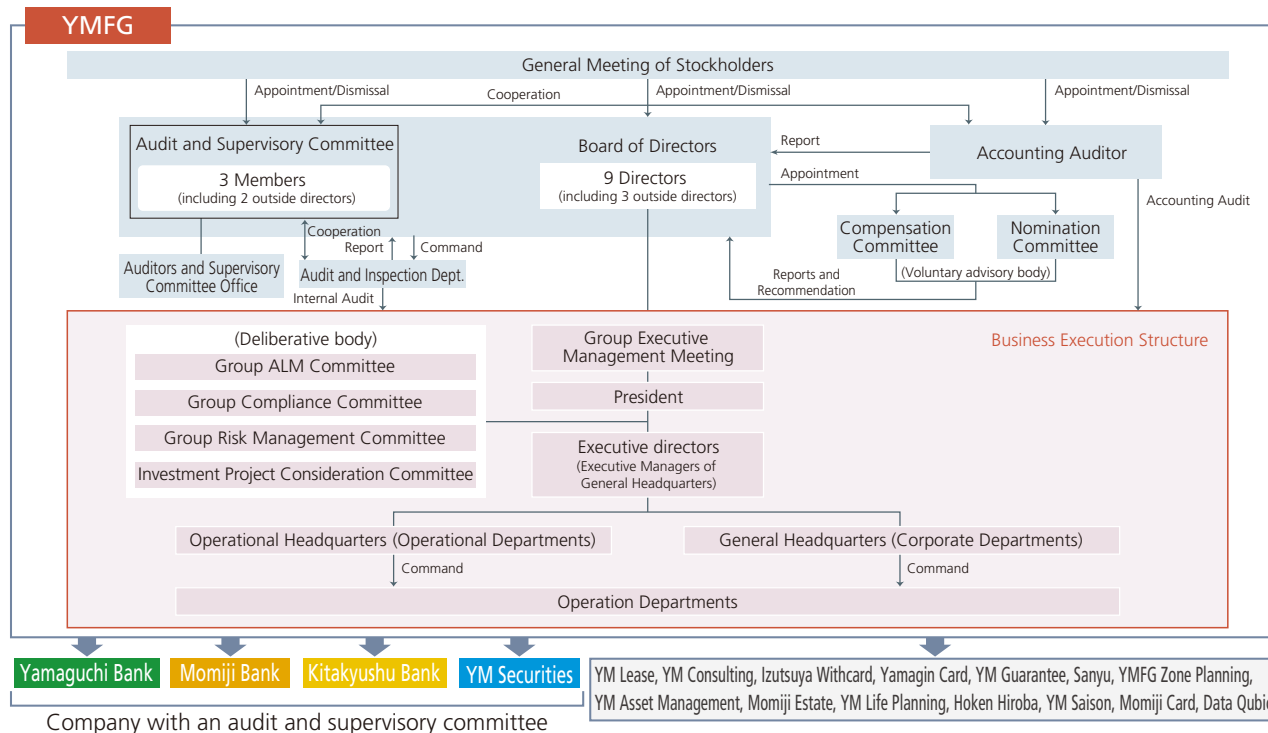
- i. We strive to ensure the rights of shareholders and create an environment that facilitates the appropriate exercise of shareholders' rights and substantive shareholder equality.
  - ii. We cooperate closely with our principal stakeholders, including customers, the local community, shareholders and employees.
  - iii. We diligently disclose important management-related information to our principal stakeholders.
  - iv. We endeavor to ensure the effectiveness of the business execution supervisory and auditing function through the establishment of various institutions, including the Board of Directors.
  - v. We create systems to promote constructive dialogue in order to build long-term relationships with shareholders.
- The Board of Directors, consisting of 9 directors (including three outside

directors), makes decisions about important matters related to the Group's management and supervises the directors. Furthermore, we have adopted the executive officer system to fortify the Board of Directors' supervisory function and enhance the business execution function. The Nomination Committee discusses matters related to the appointment and dismissal of directors, and the Compensation Committee discusses matters related to the compensation of the directors. Both guarantee the objectivity and transparency of decision-making processes.

YMFG has adopted an audit and supervisory committee system. The Audit and Supervisory Committee comprises three directors, of whom two are outside directors. The committee audit the execution of operations by directors, configure, audit and verify the operation of internal control systems at YMFG and its subsidiaries, and prepare audit reports. By having the Audit and Supervisory Committee, which chiefly comprises outside directors, exercise its voting rights at Board of Directors meetings, we endeavor to reinforce its auditing and supervisory function with respect to the Board of Directors and enhance the transparency and speed of the decision-making process.

The Group Executive Management Meeting, the Group Asset and Liability Management Committee, the Group Compliance Committee and the Group Risk Management Committee discuss important management issues.

## YMFG Corporate Governance Structure (As of July 1, 2019)



## YMFG Board of Directors and Corporate Auditors (As of July 1, 2019)

President  
**Takeshi Yoshimura**  
Vice-President  
**Hirohide Umemoto**

Managing Director  
**Ichinari Koda**  
Managing Director  
**Koji Oda**  
Managing Director  
**Mitsuru Kato**

Director  
**Masao Kusunoki\***

Director  
Audit and Supervisory Committee Member  
**Susumu Fukuda**  
Director  
Audit and Supervisory Committee Member  
**Kazuo Tsukuda\***  
Director  
Audit and Supervisory Committee Member  
**Michiaki Kunimasa\***

\* Masao Kusunoki, Kazuo Tsukuda and Michiaki Kunimasa are outside directors under Article 15 of Section 2 of the Companies Act.