



Transparency Report 2017

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1. Message from the Local Senior Partner

As a member of the KPMG network, KPMG AZSA LLC shares a common Purpose—to Inspire Confidence, Empower Change—with member firms around the globe. Based on this Purpose, we aim to establish the reliability of information through auditing and accounting services and support the change of companies and society towards sustainable growth.

KPMG AZSA's system of quality control is in line with the KPMG Audit Quality Framework applicable to KPMG network firms globally. This Transparency Report 2017 explains our quality control system in performing audit, based on the framework, and the systems of quality control for each of the key drivers and KPMG network arrangements. We also published AZSA Quality 2017 in September 2017 to address mainly our recent efforts regarding quality control that serves as the basis for KPMG AZSA's Audit Quality, governance structure and policies of human resource development.

2. Network arrangements

As a member firm of KPMG International, KPMG AZSA LLC provides clients with a consistent set of professional services globally through a network in 155 countries. KPMG network arrangements, including legal structure, responsibilities and obligations of member firm are described more detail in the following sections of this report.

2.1 Legal Structure

The independent member firms of the KPMG network are affiliated with KPMG International, a Swiss cooperative which is a legal entity formed under Swiss law.

KPMG International carries on business activities for the overall benefit of the KPMG network of member firms but does not provide professional services to clients. Professional services to clients are exclusively provided by member firms.

One of the main purposes of KPMG International is to facilitate the provision by member firms of high quality Audit and Advisory services to their clients. For example, KPMG International establishes and facilitates the implementation and maintenance of uniform policies, standards of work and conduct by member firms, and protects and enhances the use of the KPMG name and brand.

KPMG International is an entity that is legally separate from each member firm. KPMG International and the member firms are not a global partnership, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

2.2 Responsibilities and obligations of member firms

Under agreements with KPMG International, member firms are required to comply with KPMG International's policies and regulations including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

Each member firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG values.

KPMG International's activities are funded by amounts paid by member firms. The basis for calculating such amounts is approved by

the Global Board and consistently applied to the member firms. A firm's status as a KPMG member firm and its participation in the KPMG network may be terminated if, among other things, it has not complied with the policies and regulations set by KPMG International or any of its other obligations owed to KPMG International.

2.3 Professional Indemnity Insurance

A substantial level of insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis and is principally written through a mutual that is available to all KPMG member firms.

2.4 Governance structure

The key governance and management bodies of KPMG International are the Global Council, the Global Board, and the Global Management Team.

Global Council

The Global Council focuses on high-level governance tasks and provides a forum for open discussion and communication among member firms. It performs functions equivalent to a shareholders' meeting (albeit KPMG International has no share capital and, therefore, only has members, not shareholders).

Among other things, the Global Council elects the Global Chairman and also approves the appointment of Global Board members. It includes representation from 58 member firms that are "members" of KPMG International as a matter of Swiss law. Sub-licensees are generally indirectly represented by a member.

Global Board

The Global Board is the principal governance and oversight body of KPMG International. The key responsibilities of the Global Board include approving strategy, protecting and enhancing the KPMG brand, overseeing management of KPMG International, and approving policies and regulations. It also admits member firms and ratifies the Global Chairman's appointment of the Global Deputy Chairman.

The Global Board includes the Global Chairman, the Global Deputy Chairman, the Chairman of each of the three regions (the Americas; Asia Pacific (ASPAC); and Europe, the Middle East, and Africa (EMA)) and a number of senior partners of member firms.

It is led by the Global Chairman, who is supported by the Executive Committee, consisting of the Global Chairman, the Global Deputy Chairman, the Chairman of each of the regions and currently four other senior partners of member firms. The list of Global Board members, as at 1 October 2016 is available in the International Annual Review.

One of the other Global Board members is elected as the lead director by those Global Board members who are not also members of the Executive Committee of the Global Board ("non-executive" members). A key role of the lead director is to act as liaison between the Global Chairman and the "non-executive" Global Board members.

Global Management Team

The Global Board has delegated certain responsibilities to the Global Management Team. These responsibilities include developing global strategy by working together with the Executive Committee. The Global Management Team also supports the member firms in their execution of the global strategy and is responsible for holding them accountable for commitments. It is led by the Global Deputy Chairman and includes the Global Chairman, the Global Chief Operating Officer, global function and infrastructure heads, and the General Counsel. The list of Global Management Team members as at 1 October 2016 is available in the International Annual Review.

Global Steering Groups

The Global Steering Groups work closely with regional and member firm leadership to:

- establish and communicate appropriate audit and quality/risk management policies;
- enable effective and efficient risk processes to promote audit quality; and
- proactively identify and mitigate critical risks to the network.

The Global Steering Groups act under the oversight of the Global Management Team.

The roles of the Global Audit Steering Group and the Global Quality & Risk Management Steering Group are detailed in the KPMG International Transparency Report.

Each member firm is part of one of three regions (the Americas, ASPAC, and EMA). Each region has a Regional Board comprising a regional chairman, regional chief operating or executive officer, representation from any sub-regions, and other members as appropriate. Each Regional Board focuses specifically on the needs of member firms within their region and assists in the implementation of KPMG International's policies and processes within the region.

Further details about KPMG International including the governance arrangements, can be found in KPMG International Transparency Report, which is available at

<http://www.kpmg.com/global/en/about/governance/pages/transparency-report.aspx>

2.5 Area Quality & Risk Management Leaders

The Global Vice Chair—Quality, Risk and Regulatory appoints Area Quality & Risk Management Leaders who:

- assess the effectiveness of a member firm's quality and risk management efforts to identify and mitigate significant risks to the member firm and network, actively monitor alignment with global quality and risk management strategies and priorities;
- share leading best practices in quality and risk management; and
- report to Global Vice Chair—Quality, Risk and Regulatory.

3. Our system of quality control in line with the KPMG Audit Quality Framework

■ Overview

KPMG AZSA implements KPMG International policies and procedures and adopts additional policies and procedures that are designed to address rules and standards issued by the Business Accounting Council of the Financial Service Agency, Japanese Government and the Japanese Institute of Certified Public Accountants (JICPA), and other regulators as well as local laws, such as the Certified Public Accountants Law, Companies Act, Financial Instruments and Exchange Law, other applicable related regulations, the Auditing Standards and Quality Control Standards related auditing by laws of the JICPA, and the Code of Ethics and practical guidance on auditing from the JICPA.

A robust and consistent system of quality control is an essential requirement in performing high quality services. Accordingly, KPMG International has quality control policies that apply to all member firms. These are included in KPMG's Global Quality & Risk Management Manual available to all personnel.

These policies and associated procedures are designed to guide member firms in complying with relevant professional standards, regulatory and legal requirements, and in issuing reports that are appropriate in the circumstances. These policies and procedures are based on the International Standard on Quality Control 1 (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB), and on the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). Both of these are relevant to firms that perform statutory audits and other assurance and related services engagements.

KPMG International's policies reflect individual quality control elements to help our personnel act with integrity and objectivity, perform their work with diligence, and comply with applicable laws, regulations, and professional standards. Amendments to risk and quality policies, including ethics and independence policies, are communicated by email alerts from

KPMG International and included in quality and risk communications. KPMG AZSA is required to implement changes specified in the e-mail alerts and this is checked through internal monitoring.

Quality control and risk management are the responsibility of all KPMG AZSA personnel. This responsibility includes the need to understand and adhere to firm policies and associated procedures in carrying out their day-to-day activities. The system of quality control applies to KPMG personnel.

While many of KPMG AZSA's quality control processes are cross-functional, and apply equally to advisory work, the remainder of this section focuses on the delivery of quality audits.

■ KPMG Audit Quality Framework

At KPMG AZSA, audit quality is not just about reaching the right opinion, but how that opinion is reached. It is about the processes, thought, and integrity behind the audit report. We view the outcome of a quality audit as the delivery of an appropriate and independent opinion in compliance with the auditing standards. This means, above all, being independent, and in compliance with relevant legal and professional requirements.

To help all audit professionals concentrate on the fundamental skills and behaviors required to deliver an appropriate and independent opinion, KPMG International utilizes the Audit Quality Framework. This Framework uses a common language that is used by all KPMG member firms to describe what we believe drives audit quality, and to highlight how every audit professional at KPMG contributes to the delivery of audit quality. The Audit Quality Framework identifies seven drivers of audit quality:

- Culture and tone at the top
- Association with the right clients
- Clear standards and robust audit tools
- Recruitment, development and assignment of appropriately qualified personnel
- Commitment to technical excellence and quality service delivery
- Performance of effective and efficient audits
- Commitment to continuous improvement



Tone at the top sits at the core of the Audit Quality Framework's seven drivers of audit quality and helps ensure that the right behaviors permeate across our firm. All of the other drivers are presented within a virtuous circle because each driver is intended to

reinforce the others. Each of the seven drivers is described in more detail in the following sections of this report

3.1 Culture and tone at the top

The culture of our firm is underpinned by a strong set of values and supporting policies and processes and enables the right attitudes and behaviors to permeate throughout our firm, starting from the very top. We promote a culture in which consultation is encouraged and recognized as a strength.

Tone at the top means that KPMG AZSA leadership demonstrates commitment to quality, ethics and integrity and communicates its commitment to clients, stakeholders, and society at large. Integrity is a critical characteristic that stakeholders expect and rely on. It is also the key KPMG AZSA's core value – "Above all, we act with integrity." Integrity means constantly striving to uphold the highest professional standards, providing sound good-quality advice to our clients and rigorously maintaining independence. Our Values, which have been explicitly codified for a number of years, are embedded into working practices and values-based compliance culture at KPMG AZSA. Individuals are encouraged to raise their concerns when they see behaviors or actions that are inconsistent with our values or professional responsibilities. Our Values are considered in the performance appraisal process that our people follow and adherence to these Values is also reviewed when our people are considered for more senior promotions, including to Partner. Our Values are set out in Appendix.

■ Code of conduct

KPMG AZSA's Code of Conduct incorporates our Values, and defines the standards of ethical conduct that is required from all KPMG AZSA's people.

It sets out our ethical principles, and helps partners and employees at KPMG AZSA to understand and uphold those principles. In addition, the Code of Conduct emphasizes that each partner and employee is personally responsible for the legal, professional, and ethical standards that apply to his or her job function and level of responsibility. It has provisions that require our people to—

- comply with all applicable laws, regulations and KPMG AZSA policies;
- report any illegal acts, whether committed by KPMG AZSA personnel, clients or other third parties;
- report breaches of risk management policies;
- uphold the highest levels of client confidentiality; and
- not offer, promise, make, solicit or accept bribes (whether directly or through an intermediary).

To further our commitment to integrity and ethical culture, KPMG AZSA maintains an Ethics and Compliance Hotline. The firm encourages use of the hotline when KPMG AZSA partners and employees feel uncomfortable reporting concerns about possible illegal, unethical, or improper conduct through normal channels or when the normal channels of communication are impractical or perceived as ineffective.

Any individual working with the firm in a business context, including clients, vendors, and other KPMG member firms' professionals working on engagements with KPMG AZSA's clients, may file a report by telephone, facsimile, letter, or interview.

In addition the [KPMG International hotline](#) is a vehicle for KPMG partners, employees, clients and other parties to confidentially report concerns they have relating to certain areas of activity by KPMG International itself, its employees or the senior leadership of a KPMG member firm.

3.1.1 Leadership responsibilities for quality and risk management

KPMG AZSA demonstrates commitment to quality, ethics and integrity, and communicates its focus on quality to clients, stakeholders, and society. However, leadership plays a critical role in setting the right tone and leading by example.

Our leadership team is committed to building a culture based on quality, integrity and ethics, demonstrated through their actions-written and video communications, presentations to teams and one-to-one discussions.

The following individuals have leadership responsibilities for quality and risk management at KPMG AZSA.

Managing partner

In accordance with the principles in ISQC1, our Managing Partner has assumed ultimate responsibility for KPMG AZSA's system of quality control.

The Executive Board member in charge of Quality

Operational responsibility for the system of quality control, risk management and compliance in KPMG AZSA has been delegated to the Executive Board member in charge of Quality who is responsible for setting overall professional risk management and quality control policies and monitoring compliance for firm.

Managing Partner and the Executive Board member in charge of Quality communicate our internal policy about our system of quality control, and behavior and message prioritizing audit quality to professionals, through internal meeting and newsletter.

Engagement partner is responsible for quality and risk management of each engagement involved.

3.2 Association with the right clients

3.2.1 Acceptance and continuance of clients and engagements

Rigorous client and engagement acceptance and continuance policies and processes are important part to our ability to provide high-quality professional services to protect KPMG's reputation and support its brand. Accordingly, KPMG International has established policies and procedures which all member firms are required to implement in order to decide whether to accept or continue a client relationship, and whether to perform a specific engagement for that client.

3.2.2 Prospective client and engagement evaluation process

Before accepting a client, KPMG AZSA undertakes an evaluation of a prospective client.

This involves an assessment of the prospective client's principals, its business, and other service-related matters. This also involves background checks on the prospective client, its key management, and significant beneficial owners. A key focus is on the integrity of management at a prospective client and the evaluation

considers breaches of law and regulation, anti-bribery and corruption among the factors to consider.

A second partner, as well as the evaluating partner, approves each prospective client evaluation. Where the client is considered to be 'high risk', additional approval(s) by the Risk Management Partner and, in some cases, the office managing partner, or the Executive Board member in charge of Quality, are required.

A range of factors is considered as part of this evaluation, including potential independence and conflict of interest issues (using Sentinel, KPMG's conflicts and independence checking system) as well as factors specific to the type of engagement, including for audit services, the competence of the client's financial management team and the skills and experience of personnel assigned to staff the engagement.

Where audit services are to be provided for the first time, the prospective engagement team is required to perform additional independence evaluation procedures including a review of any non-audit services provided to the client and of other relevant relationships. Similar independence evaluations are performed when an existing audit client becomes a public interest entity or additional independence restrictions apply following a change in the circumstances of the client.

Depending on the overall risk assessment of the prospective client and engagement, additional safeguards may be introduced to help mitigate the identified risks. Any potential independence or conflict of interest issues are documented and resolved prior to acceptance. A prospective client or engagement will be declined if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional and firm standards, or if there are other quality and risk issues that cannot be appropriately mitigated.

3.2.3 Continuance process

An annual re-evaluation of all KPMG AZSA audit clients is undertaken. In addition, clients are re-evaluated if there is an indication that there may be a change in their risk profile. Recurring engagements are also subject to annual re-evaluation. This re-evaluation serves two purposes. Firstly, we will decline to continue to act for any client we consider it would not be appropriate to continue to be associated with. Secondly, and more commonly, we use the re-evaluation process to consider whether or not any additional risk management or quality control procedures need to be put in place for the subsequent engagement we perform for that client (this may include the assignment of additional professionals or the need to involve additional specialists on the audit).

3.2.4 Withdrawal

Where we obtain information that indicates that we should withdraw from an engagement or from a client relationship, we consult internally and identify any required legal and regulatory steps. We also communicate as required with those charged with governance and appropriate authority.

3.2.5 Client portfolio management

Our leadership appoints engagement partners who have the appropriate competence, capabilities time and authority to perform the role for each engagement.

3.3 Clear standards and robust audit tools

All our professionals are expected to adhere to KPMG International and KPMG AZSA the clear policies and procedures (including independence policies), and are provided with a range of tools and guidance to support them in meeting these expectations.

The policies and procedures set for audit engagements incorporate the relevant requirements of accounting, auditing, ethical, and quality control standards, and other relevant laws and regulations.

3.3.1 Audit methodology and tools

Significant resources are dedicated to keeping our standards and tools complete and up to date.

KPMG International's global audit methodology is based on the requirements of the International Standards on Auditing (ISAs). The methodology is set out in KPMG International's Audit Methodology (KAM) and includes additional requirements that go beyond the ISAs, which KPMG International believes enhance the quality of audit.

KPMG member firms may add local requirements and/or guidance in KAM to comply with additional professional, legal, or regulatory requirements.

Our audit methodology is supported by eAudit, KPMG International's electronic audit tool, which provides KPMG AZSA auditors with the methodology, guidance, and industry knowledge needed to perform high quality audits.

eAudit's activity-based workflow provides engagement teams with ready access to relevant information at the right time throughout the audit, thereby enhancing effectiveness and efficiency and delivering value to our audit clients.

The key activities within the eAudit workflow are:

Engagement setup

- perform engagement acceptance and scoping
- determine team selection and timetable

Risk assessment

- understand the entity;
- plan for involvement of our specialists and external experts, internal audit, service organizations and other auditors as required;
- evaluate design and implementation of relevant controls;
- conduct risk assessment and planning discussion;
- determine audit strategy and planned audit approach;

Testing

- test operating effectiveness of selected controls;
- plan and perform substantive procedures;

Completion

- update risk assessment;
- perform completion procedures, including overall review of financial statements;
- perform overall evaluation, including evaluation of significant findings and issues;
- communicate with those charged with governance (e.g., the audit committee);
- form the audit opinion.

KAM contains examples and guidance for, among other things, procedures intended to identify and assess the risk of material misstatement and procedures to respond to those assessed risks. The KPMG methodology encourages engagement teams to exercise professional skepticism in all aspects of planning and performing an audit.

Our methodology encourages use of specialists when appropriate, and also requires involvement of relevant specialists in the core audit engagement team when certain criteria are met or where the audit team considers it appropriate or necessary.

KAM includes the implementation of quality control procedures at the engagement level that provide us with reasonable assurance that engagements comply with the relevant professional, legal, regulatory, and KPMG International requirements.

The policies and procedures set out in KAM are specific to audits and supplement the policies and procedures set out in the Global Quality & Risk Management Manual that is applicable to all KPMG member firms, functions and personnel.

3.3.2 Independence, integrity, ethics and objectivity

3.3.2.1 Overview

KPMG International have detailed independence policies and procedures, incorporating the requirements of the IESBA Code of Ethics. These are set out in KPMG's Global Q&RM Manual. Automated tools facilitate compliance with these requirements. These policies are supplemented by other processes to ensure compliance with the standards issued by the Certified Public Accountant Law and Code of Ethics issued by Japanese Institute of Certified Public Accountants.

These policies and processes cover areas such as firm independence, personal independence, firm financial relationships, post-employment relationships, partner rotation and approval of audit and non-audit services.

To help ensure ethical conduct, including integrity and independence, our firm, and its personnel must be free from prohibited financial interests in, and prohibited relationships with the audit clients, their management, directors, and significant owners.

KPMG AZSA has a designated Ethics and Independence Partner (EIP) who has primary responsibility for the direction and execution of ethics and independence policies and procedures. Member firms' EIPs are supported by the Global Independence Group. The Partner-in-Charge of the Global Independence Group is supported by a core team of specialists to help ensure that implement robust and consistent independence policies and procedures and tools are implemented.

Amendments to KPMG International's ethics and independence policies in the course of the year are communicated by email alerts and included in regular quality and risk communications.

Member firms are required to implement changes as specified in the email alerts, and this is checked through the internal monitoring programs.

KPMG AZSA personnel are required to consult with the EIP on certain matters as defined in our internal rules. In the event of failure to comply with the independence policies, professionals are subject to an independence disciplinary policy. Matters arising are factored into promotion and compensation decisions and performance discussions.

The disciplinary policy is communicated to all professionals and

applies to all breaches of independence rules, incorporating incremental sanctions reflecting the seriousness of any violations.

3.3.2.2 Personal financial independence

KPMG AZSA's policy extends the IESBA Code of Ethics restrictions on ownership of audit client securities to partners and all staff who are manager grade or above in respect of any audit client of any member firm.

KPMG AZSA and its professionals must be free from prohibited financial interests in, and prohibited relationships with, KPMG's audit clients, their management, directors, and significant owners.

KPMG AZSA professionals are responsible for making appropriate inquiries and taking other appropriate actions on an on-going basis to ensure that they do not have any personal financial, business or family interests that are restricted for independence purposes. In common with other member firms of KPMG International, we use a web-based independence compliance system (KICS) to assist our professionals in their compliance with personal independence investment policies.

This system contains an inventory of publicly available investment products.

Partners and all staff who are manager grade or above are required to use the KICS system prior to entering into an investment to identify whether they are permitted to do so. They are also required to maintain a record of all of their investments in KICS, which automatically notifies them if their investments subsequently become restricted and they must dispose of that investment within 5 business days of the notification.

We monitor partner and manager compliance with this requirement as part of our program of independence compliance audits of a sample of professionals.

3.3.2.3 Employment relationships

Any professional is required to notify the EIP, the engagement partner of an audit client and the HR department if they intend to enter into employment negotiations with that audit client. Former members of the audit team or former partners of a member firm are prohibited from joining an audit client in certain roles unless they have disassociated from the member firm financially and have ceased participating in KPMG AZSA business or professional activities.

Key audit partners and members of the chain of command for an audit client that is a public interest entity are subject to time restrictions (referred to 'cooling-off' periods) that preclude them from joining that client in certain roles until a defined period of time has passed.

We communicate and monitor requirements in relation to employment of KPMG AZSA professionals by audit clients.

3.3.2.4 Firm financial independence

KPMG AZSA also use KICS to record their own investments (made for example through pension and retirement plans and treasury activities) in the Web-based independence tracking system. This record is monitored through our compliance process.

3.3.2.5 Business relationships

KPMG AZSA has policies and procedures in place that are designed to ensure their business relationships are maintained in accordance

with the IESBA Code of Ethics, Japanese Certified Public Accountant Law, Code of Ethics issued by Japanese Institute of Certified Public Accountants and SEC, US PCAOB rule requirements.

3.3.2.6 Independence clearance process

KPMG AZSA follows specific procedures to identify and evaluate threats to independence related to prospective audit clients that are public interest entities; these procedures, also referred to as 'the independence clearance process,' must be completed prior to accepting an audit engagement for these entities.

3.3.2.7 Independence training and confirmations

KPMG AZSA provide all relevant personnel (including all partners and client service professionals) with independence training that is appropriate to their grade and function on an annual basis. New personnel who are required to complete this training must do so by the earlier of (a) thirty days after joining KPMG AZSA or (b) before providing any services to and SEC client or its affiliates.

We also provide all personnel with training on the Code of Conduct and ethical behavior, including KPMG's anti-bribery policies, compliance with laws, regulations, and professional standards, and reporting suspected or actual non-compliance with laws, regulations, professional standards, and KPMG's policies on a biennial basis. New personnel are required to complete this training within three months of joining the firm.

Upon acceptance of employment, all KPMG personnel are required to confirm that they are in compliance with, and will abide by applicable ethics and independence rules and policies.

Thereafter, all professionals and administrative staff who are manager grade or above are required to sign an annual confirmation stating that they have remained in compliance with applicable ethics and independence policies throughout the year covered by the confirmation.

In addition, all KPMG personnel are required to confirm their understanding of, and compliance with, the applicable Code of Conduct upon joining KPMG AZSA and on an annual basis thereafter. This confirmation is used to evidence the individual's compliance with and understanding of our independence policies.

3.3.2.8 Non-audit services

We have policies, which are consistent with IESBA principles and applicable laws and regulations, which address the scope of services that can be provided to audit clients.

We establish and maintain a process to review and approve all new and modified services that are developed by the KPMG AZSA or adopted from another member firm. The EIP is involved in the review of potential independence issues and the Global Independence Group is involved in the case of services developed for global adoption.

In addition to identifying potential conflicts of interest, KPMG International's proprietary system, Sentinel, facilitates compliance with these policies.

Certain information on all prospective engagements that includes service descriptions and fees must be entered into Sentinel™ as part of the engagement acceptance process.

Lead audit engagement partners are required to maintain group structures for their publicly traded and certain other audit clients and their affiliates in the system and to identify and evaluate any

independence threats that may arise from the provision of a proposed non-audit service and the safeguards available to address those threats.

The system enables lead audit engagement partners for entities for which group structures are maintained to review and approve, or deny, any proposed service for those entities worldwide.

3.3.2.9 Fee dependency

KPMG International's policies recognize that self-interest or intimidation threats may arise when the total fees from an audit client represent a large proportion of the total fees of the operating firm expressing the audit opinion.

In particular, KPMG International's policies require that in the event that the total fees from a public interest entity audit client and its related entities were to represent more than 10 percent of the total fees received by a particular member firm for two consecutive years:

- This would be disclosed to those charged with governance at the audit client; and
- A senior partner from another operating firm would be appointed as the engagement quality control (EQC) reviewer.

No audit client accounted for more than 10 percent of the total fees received by our firm during the last two years.

3.3.2.10 Conflicts of interest

Conflicts of interest can arise in situations where KPMG personnel have a personal connection with the client which may interfere, or be perceived to interfere, with their ability to remain objective, or where they are personally in possession of confidential information relating to another party to a transaction. Consultation with the Risk Management Partner or the Ethics and Independence Partner is required in these situations.

All KPMG member firms and personnel are responsible for identifying and managing conflicts of interest, which are circumstances or situations that have, or may be perceived by a fully informed, reasonable observer, to have an impact on a member firm or its personnel in their ability to be objective or otherwise act without bias.

Sentinel is the tool all KPMG member firms use for potential conflict identification so that these can be addressed in accordance with legal and professional requirements.

It may be necessary to apply specific procedures to manage the potential for a conflict of interest to arise, or be perceived to arise, so that the confidentiality of all clients' affairs is maintained. Such procedures may, for example, include establishing formal dividers between engagement teams serving different clients, and making arrangements to monitor the operation of such dividers.

Escalation and dispute resolution procedures are in place for situations in which agreement cannot be reached on how to manage a conflict.

If a potential conflict issue cannot be appropriately mitigated, the engagement is declined or terminated.

3.3.2.11 Breaches of Independence Policy

All KPMG personnel are required to report an independence breach as soon as they become aware of it. In the event of failure to comply with our independence policies, whether identified in the compliance

review, self-declared or otherwise, professionals are subject to an independence disciplinary policy.

KPMG AZSA has a documented disciplinary policy in relation to breaches of independence policies. The disciplinary policy is communicated to all professionals and applies to all breaches of independence rules, incorporating incremental sanctions reflecting the seriousness of any violations.

Any breaches of auditor independence regulations are reported to those charged with governance at the audit client, on the basis agreed with them. Matters arising are factored into individuals' evaluations.

3.3.2.12 Compliance with laws, regulations, and anti-bribery and corruption

Compliance with laws, regulation and standards is a key aspect for all KPMG AZSA personnel. In particular, KPMG AZSA has zero tolerance of bribery and corruption.

We prohibit involvement in any type of bribery—even if such conduct is legal or permitted under applicable law or local practice.

We also do not tolerate bribery by third-parties, including by our clients, suppliers or public officials.

Accordingly, training covering compliance with laws (including those relating to anti-bribery and corruption), regulations, professional standards, and the KPMG's Ethical Code of Conduct is required to be completed at a minimum of once every two years, with new hires completing such training within three months of joining the firm. Further information on KPMG International anti-bribery and corruption can be found on the [anti-bribery and corruption site](#).

3.3.2.13 Partner rotation

Our rotation policies are consistent with the Certified Public Accountant Law, JICPA Code of Ethics and require our firm to comply with any stricter applicable rotation requirements, such as SEC rules.

KPMG AZSA partners are subject to periodic rotation of their responsibilities for audit clients under applicable laws, regulations, independence rules and KPMG International policy.

These requirements place limits on the number of years that partners in certain roles may provide audit services to a client followed by a "time-out" period during which time these partners may not participate in the audit, provide quality control for the audit, consult with the engagement team or the client regarding technical or industry-specific issues or in any way influence the outcome of the audit.

We monitor the rotation of audit engagement leaders (and any other key roles, such as the Key Audit Partner and EQC Reviewer, where there is a rotation requirement) and develop transition plans to enable allocation of partners with the necessary competence and capability to deliver a consistent quality of service to clients.

The partner rotation monitoring is subject to compliance testing.

3.4 Recruitment, development and assignment of appropriately qualified personnel

One of the key drivers of quality is ensuring that KPMG professionals have the skills and experience to deliver on our vision. This requires recruitment, promotion and retention of professionals and a robust capacity and resource management processes. KPMG's global behaviors, which are linked to our Values, are designed to help

articulate what is required for success—both individually and collectively. One of KPMG’s global behaviors is ‘Delivering Quality’

3.4.1 Recruitment

All candidates submit an application and are employed following a variety of selection processes, which may include application screening, competency-based interviews, and ability and adequacy testing.

3.4.2 Personal development

It is important that all our professionals have the necessary business and leadership skills to be able to perform quality work in addition to technical skills.

In relation to audit, opportunities are provided for professionals to develop the skills, behaviors, and personal qualities that form the foundations of a successful career in auditing. Courses are available to enhance personal effectiveness and develop technical, leadership, and business skills.

KPMG AZSA professionals are developed further for high performance through coaching and mentoring on the job, stretch assignments, and country rotational and global mobility opportunities.

3.4.3 Inclusion and Diversity programs

We encourage each partner and employee with diverse personalities to achieve high performance toward the common goal of “contributing to audit clients and society through the provision of high quality services,” while respecting and making the most of each other’s differences.

KPMG AZSA adopts a variety of approaches to establish an environment conducive to more diverse and flexible work styles. Specific initiatives include: developing globally-minded personnel; promoting women’s participation in the workforce; supporting our people as they balance work and childbirth, childcare, and nursing care; promoting employment of persons with disabilities; creating a corporate culture that allows and encourages our people to embrace diversity; and introducing teleworking, as well as changing the office work style more generally.

3.4.4 Evaluation, compensation and promotion

KPMG AZSA professionals, including partners, have annual goal-setting and performance reviews. Each professional is evaluated on their agreed-upon goals, demonstration of our global behaviors, technical capabilities and market knowledge. Partners are also evaluated on key quality and compliance metrics. These evaluations are conducted by performance managers and partners who are in a position to assess their performance and propose a performance rating.

Compensation and promotion

Our firm has compensation and promotion policies that are clear, simple, and linked to the performance evaluation process so that our people know what is expected of them and what they can expect to receive in return. Our policy prohibits audit partners from being evaluated on or compensated based on their success in selling non-assurance services to audit clients.

3.4.5 Partner admissions

Our process for admission to partnership is rigorous and thorough, involving appropriate members of leadership.

Our criteria for admission to the partnership are consistent with our commitment to professionalism and integrity and quality. These are aligned to KPMG’s behavioral capabilities and are based on consistent principles.

3.4.6 Assignment of professionals

KPMG AZSA has procedures in place to assign both the engagement partners and other professionals to a specific engagement on the basis of their skill sets, relevant professional and industry experience, and the nature of the assignment or engagement. Function heads are responsible for the partner assignment process. Key considerations include partner experience and capacity to perform the engagement in view of the size, complexity and risk profile of the engagement and the type of support to be provided (i.e. the engagement team composition and specialist involvement). Audit engagement partners are required to be satisfied that their engagement teams have appropriate competencies, accreditation and capabilities to perform audit engagements in accordance with KAM, professional standards, and applicable legal and regulatory requirements. This may include involving specialists from our own firm or other KPMG member firms.

When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement partner’s considerations may include the following:

- an understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- an understanding of professional standards and legal and regulatory requirements;
- appropriate technical skills, including those related to relevant information technology and specialized areas of accounting or auditing;
- knowledge of relevant industries in which the client operates;
- ability to apply professional judgment; and
- an understanding of KPMG AZSA’s quality control policies and procedures; and
- QPR results and results of regulatory inspections.

3.4.7 Employee engagement

Biennially KPMG Japan invite all our people to participate in an independent Global People Survey (GPS) which measures our people’s attitudes and provides an overall Employee Engagement Index (EEI).

The GPS also provides insights about what drives engagement across different demographic groups and how we are faring in selected categories. The results of GPS provide leadership with information about employee/partner perceptions about audit quality and tone at the top and employee engagement and motivation helping track progress against strategic priorities as well as providing warning indicators if there are areas of concern.

KPMG Japan participate in the GPS, monitor results and take appropriate actions to communicate and respond to the findings of the survey.

This includes monitoring GPS results against agreed targets relevant to:

- audit quality and tone at the top, referred to in the GPS as 'leadership behavior';
- employee engagement through the Employee Engagement Index (EEI); and
- employee performance through the Performance Excellence Index (PEI).

Global Board countries are required to set and submit target scores for EEI as part of the annual business planning process.

3.5 Commitment to technical excellence and quality service delivery

All KPMG AZSA professionals are provided with the technical training and support they need. This includes access to networks of specialists and professional practice departments (DPP), which are made up of senior professionals with extensive experience in audit, reporting and risk management, either to provide resources to the engagement team or for consultation.

At the same time audit accreditation and licensing policies require professionals to have the appropriate knowledge and experience for their assigned engagements.

KPMG AZSA structure enables our engagement teams to apply their business understanding and industry knowledge to maintain audit quality and deliver valued insights.

3.5.1 Professional training

In addition to personal development discussed in the section above, our policies require all professionals to maintain their technical competence and to comply with applicable regulatory and professional development requirements.

Formal training

Audit Learning and Development steering groups at global, regional and, where applicable, KPMG AZSA identify annual training priorities for development and delivery using a blend of classroom and e-learning methods. Audit Learning and Development teams work with subject matter experts and leaders to ensure the training is of the highest quality, is relevant to performance on the job, and is delivered on a timely basis.

3.5.2 Accreditation and licensing

All KPMG professionals are required to comply with applicable professional license rules and satisfy the Continuing Professional Development (CPD) requirements in the jurisdiction where they practice.

Policies and procedures are designed to ensure that those individuals that require a license to undertake their work are appropriately licensed.

We are responsible for ensuring that audit professionals working on engagements have appropriate audit, accounting and industry knowledge, and experience in the local predominant financial reporting framework.

In addition, we have specific requirements for partners and managers working on IFRS engagements, in countries where IFRS is not the predominant financial reporting framework. Similar policies apply for US Generally Accepted Accounting Principles, US Generally Accepted Auditing Standards, and the Standards of the Public

Company Accounting Oversight Board (PCAOB) for SEC and Internal Control Over Financial Reporting (ICOFR) engagements performed outside the US.

3.5.3 Access to specialist networks

KPMG AZSA engagement teams have access to a network of local KPMG specialists as well as specialists in other KPMG member firms. Engagement partners are responsible for ensuring that their engagement teams have the appropriate resources and skills. The need for specialists (e.g. Information Technology, Tax, Actuarial, Forensic, Valuation) to be assigned to a specific audit engagement is considered as part of the audit engagement acceptance and continuance process.

3.5.4 Consultation

We promote a culture in which consultation is recognized as a strength and is that encourages personnel to consult on difficult or contentious matters.

To assist audit engagement professionals in addressing difficult or contentious matters, protocols have been established for consultation and documentation of significant accounting and auditing matters, including procedures to facilitate resolution of differences of opinion on engagement issues.

Appropriate consultation support is provided to audit engagement professionals through professional practice resources that include a DPP and Risk Management.

Technical accounting and auditing support is available to all member firms us through the GSC and the ISG as well as the US capital Markets Group for SEC foreign registrants.

Global Service Centre (GSC)

The GSC maintains and updates KPMG's global audit platform and methodology, enabling audit professionals to perform high-quality audits that comply with the auditing standards.

International Standards Group (ISG)

The ISG works with Global IFRS and ISAs topic teams with geographic representation from around the world to promote consistency of interpretation of IFRS between member firms, identify emerging issues, and develop global guidance on a timely basis. Further details about the GSC and ISG and its activities are available in the [supplement to the KPMG International Transparency Report](#).

3.5.5 Developing business understanding and industry knowledge

A key part of quality is having a detailed understanding of the client's business and industry.

For significant industries global audit sector leads are appointed to support the development of relevant industry information, which is made available to audit professionals within eAudit. This knowledge comprises examples of industry audit procedures and other information (such as typical risks and accounting processes). In addition, industry overviews are available which provide general and business information in respect of particular industries as well as a summary of the industry knowledge provided in eAudit.

3.6 Performance of effective and efficient audits

How an audit is conducted is as important as the final result. KPMG AZSA people are expected to demonstrate certain key behaviors and follow certain policies and procedures in the performance of effective and efficient audits.

3.6.1 KPMG Audit Process

Our audit workflow is enabled through eAudIT. KPMG International's activity based workflow and electronic audit file. eAudIT integrates our audit methodology, guidance and industry knowledge, and the tools needed to manage audits consistently.

Our high quality audit process includes:

- timely partner and manager involvement;
- timely access to the right knowledge, specialists, accredited individuals and relevant industry expertise;
- critical assessment of audit evidence;
- exercise of professional judgment and professional skepticism;
- ongoing mentoring supervision and review;
- appropriately supported and documented conclusions; and,
- robust challenge and review, including EQC review.

3.6.1.1 Timely partner and manager involvement

To help identify and respond to the significant audit risks applicable to each audit, the engagement team requires an understanding of the client's business, its financial position, and the environment in which it operates.

The engagement partner is responsible for the overall quality of the audit engagement and therefore for the direction, supervision and performance of the engagement. Involvement and leadership from the engagement partner during the planning process and early in the audit process helps set the appropriate scope and tone for the audit, and helps the engagement team obtain maximum benefit from the partner's experience and skill. Timely involvement of the engagement partner at other stages of the engagement allows the engagement partner to identify and appropriately address matters significant to the engagement, including critical areas of judgment and significant risks.

The engagement partner is responsible for the final audit opinion and reviews key audit documentation—in particular, documentation relating to significant matters arising during the audit and conclusions reached. The engagement manager assists the partner in meeting these responsibilities and in the day-to-day liaison with the client and team, building deep business understanding that helps the partner and team deliver valued insights.

3.6.1.2 Critical assessment of audit evidence with emphasis on professional skepticism

We consider all audit evidence obtained during the course of the audit, including consideration of contradictory or inconsistent audit evidence. The nature and extent of the audit evidence we gather is responsive to the assessed risks.

We critically assess audit evidence obtained from all sources. For the purpose of obtaining sufficient appropriate audit evidence each team member is required to exercise professional judgment and maintain professional skepticism throughout the audit engagement. Professional skepticism involves a questioning mind and alertness to contradictions or inconsistencies in audit evidence. Professional

skepticism features prominently throughout auditing standards and receives significant focus from regulators.

The KPMG Audit Quality Framework emphasizes the importance of maintaining an attitude of professional skepticism throughout the audit.

KPMG professional judgment process facilitates good judgment by introducing a structured approach to auditing areas that require significant judgment.

It also reinforces the importance of independence and objectivity and emphasizes the importance of having the right mindset—the need to apply professional skepticism.

Our professional judgment process recognizes the need to be aware of and alert to biases which may pose threats to good judgment.

The structured approach to auditing areas that require significant judgment involves:

- consider alternatives,
- critically assessing audit evidence by challenging management's assumptions and following up contradictory or inconsistent information, and
- documenting the rationale for conclusions reached on a timely basis as a means of evaluating their completeness and appropriateness.

The use of the professional judgment process and the application of professional skepticism is reinforced through coaching and training, acknowledging that judgment is a skill developed over time and with different experiences.

3.6.1.3 Ongoing mentoring, supervision and review

We understand that skills build over time and through exposure to different experiences. To invest in the building of skills and capabilities of KPMG professionals, without compromising on quality, KPMG AZSA promotes a continuous learning environment. Ongoing mentoring and supervision during an audit involves:

- engagement partner participation in planning discussions;
- tracking the progress of the audit engagement;
- considering the competence and capabilities of the individual members of the engagement team, including whether they have sufficient time to carry out their work, whether they understand their instructions, and whether the work is being carried out in accordance with the planned approach to the engagement;
- helping engagement team members address any significant matters that arise during the audit and modifying the planned approach appropriately; and
- identifying matters for consultation with more experienced team members during the engagement.

A key part of effective mentoring and supervision is timely review of the work performed so that significant matters are promptly identified, discussed and addressed.

3.6.1.4 Appropriately supported and documented conclusions

KPMG AZSA uses the KAM and KPMG International's electronic audit tool, eAudIT, to provide guidance, mechanisms for and documentation of, the supervision and control of the audit

engagement.

Audit documentation records the audit procedures performed, evidence obtained and conclusions reached on significant matters on each audit engagement.

KPMG policies require review of documentation by more experienced engagement team members.

KAM recognizes that documentation prepared on a timely basis helps to enhance the quality of the audit and facilitates the effective review and evaluation of the audit evidence obtained and conclusions reached before our report is finalized. Teams are required to assemble a complete and final set of audit documentation for retention within an appropriate time period, which is ordinarily not more than 60 calendar days from the date of the auditor's report but may be more restrictive under certain applicable regulations.

The key principle that engagement team members are required to consider is whether an experienced auditor, having no previous connection with the engagement, will understand:

- the nature, timing, and extent of audit procedures performed to comply with the applicable standards of auditing;
- applicable legal and regulatory requirements;
- the results of the procedures performed, and the audit evidence obtained;
- significant findings and issues arising during the audit, and actions taken to address them (including additional audit evidence obtained); and
- the basis for the conclusions reached, and significant professional judgments made in reaching those conclusions.

3.6.1.5 Appropriate involvement of the EQC Reviewer

EQC Reviewers are independent of the engagement team and have appropriate experience and knowledge to perform an objective review of the more critical decisions and judgments made by the engagement team and the appropriateness of the financial statements.

An EQC reviewer is required to be appointed for audits, including any related review(s) of interim financial information.

The EQC review takes place before the date of the auditor's report and includes, among other matters:

- review of selected audit documentation relating to significant judgments the engagement team made and the conclusions it reached;
- review of the financial statements and proposed auditor's report; and
- evaluation of the conclusions reached in formulating the auditor's report and consideration of whether the proposed report is appropriate.

Although the engagement partner is ultimately responsible for the resolution of financial reporting and auditing matters, the EQC Reviewer must be satisfied that all significant questions raised have been resolved before an audit can be considered to be completed. We are continually seeking to strengthen and improve the role that the EQC review plays in audits, as this is a fundamental part of the system of audit quality control.

The Senior Review Board monitors the status of the EQC review process and evaluates significant judgments made in the audit. The Senior Review Board consists of partners who have appropriate

experience and knowledge to perform an objective review and is independent of the business units such that the critical decisions and judgments made are not affected by the business units.

3.6.1.6 Reporting

Auditing standards and related laws and regulations in Japan largely dictate the format and content of the auditor's report that includes an opinion on the fair presentation of the client's financial statements in all material respects. Experienced engagement partners form all audit opinions based on the audit performed. We provide extensive reporting guidance and technical support to audit partners in preparing audit reports, where there are significant matters to be reported to users of the audit report, either as a qualification to the audit report or through the inclusion of an emphasis of matter paragraph.

3.6.1.7 Insightful, open and honest two-way communication

Two-way communication with those charged with governance is key to audit quality and a key aspect of reporting and service delivery. At KPMG AZSA, we stress the importance of keeping those charged with governance informed of issues arising throughout the audit, the need to listen and understand their views. We achieve this through a combination of reports and presentations, and ongoing discussions with members of the Audit & Supervisory Board.

We deliver insights such as our assessment of the appropriateness of significant accounting practices, including accounting policies, accounting estimates, financial statement disclosures, significant deficiencies in the design and operation of financial reporting systems, controls when such deficiencies come to our attention during the course of the audit and any uncorrected misstatements. We share our industry experience to encourage discussion and debate with the client.

3.6.1.8 Focus on effectiveness of group audits

Our audit methodology, KAM, covers the conduct of group audits in detail. We stress the importance of effective two-way communication between the group engagement team and the component auditors, which is a key to audit quality.

The group audit engagement partner is required to evaluate the competence of component auditors, whether or not they are KPMG member firms, as part of the engagement acceptance process.

Consistent methodology and tools are used across the KPMG network. Lead audit engagement partners are provided with information on component auditors within the KPMG network to help them evaluate their competence and capabilities. In addition, for PCAOB engagements, the results of relevant inspections related to the KPMG component member firms are made available to the audit engagement partner.

Lead audit engagement partners may review component auditor engagement documentation in person or obtain electronic access.

3.6.2 Client confidentiality, information security and data privacy

The importance of maintaining client confidentiality is emphasized through a variety of mechanisms including the Code of Conduct, training, and the annual confirmation process, that all of our

professionals are required to complete.

We have a formal document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with the relevant IESBA requirements as well as other applicable laws, standards and regulations.

We have clear policies on information security that cover a wide range of areas. Data Privacy policies which comply with the local Personal Information Protection Law are in place governing the handling of personal information and associated training is required for all KPMG AZSA personnel.

3.7 Commitment to continuous improvement

We commit to continually improve the quality, consistency and efficiency of our audits. Integrated quality monitoring and compliance programs enable member firms to identify quality deficiencies, to perform root cause analysis and develop, implement and report remedial action plans both in respect of individual audit engagements and the member firm's system of quality control. KPMG International's integrated quality and monitoring programs include the Quality Performance Review (QPR) program, the Risk Compliance Program (RCP) and the Global Compliance Review (GCR) program.

The quality monitoring and compliance programs are globally administered and consistent in their approach across member firms, including the nature and extent of testing and reporting.

KPMG AZSA compares the results of internal monitoring programs with the results of those of any external inspection programs and takes appropriate action.

3.7.1 Internal monitoring and compliance programs

Our monitoring programs evaluate both:

- engagement performance in compliance with the applicable standards, applicable laws and regulation and KPMG International policies and procedures; and
- KPMG AZSA compliance with KPMG International policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures.

The results and lessons from the integrated monitoring the programs are communicated internally, and the overall results and lessons from the programs are considered and appropriate action taken at local, regional and global levels.

Our internal monitoring program also contributes to the assessment of whether our system of quality control has been appropriately designed, effectively implemented, and operates effectively.

Two KPMG International developed and administered inspection programs are conducted annually across the Audit and Advisory functions, QPR and RCP.

Additionally all member firms are covered at least every three years by the cross-functional GCR program.

Participation in QPR, RCP and GCR is a condition of ongoing membership of the KPMG network.

■ Quality Performance Reviews (QPRs)

The QPR Program assesses engagement level performance and identifies opportunities to improve engagement quality in our firm.

Risk-based approach

Each engagement leader is reviewed at least once in a three-year cycle. A risk based approach is used to select engagements. KPMG AZSA conducts the annual QPR program in accordance with global QPR instructions.

The reviews are performed at KPMG AZSA level and are monitored regionally and globally.

Member firm audit QPR reviews are overseen by a senior experienced lead reviewer independent from the member firm.

Reviewer selection, preparation and process

There are robust criteria for selection of reviewers. Review teams include senior experienced lead reviewers that are independent of the member firm under review.

Training is provided to review teams and others overseeing the process, with a focus on topics of concern identified by audit oversight regulators and the need to be as rigorous as external reviewers.

Evaluations from audit QPR

Consistent criteria are used to determine engagement ratings and member firm Audit Practice evaluations. Audit engagements selected for review are rated as Satisfactory, Performance Improvement Needed or Unsatisfactory.

Reporting

Findings from the QPR Program are disseminated to member firm professionals through written communications, internal training tools, and periodic partner, manager and staff meetings. These areas are also emphasized in subsequent inspection programs to gauge the extent of continuous improvement.

Lead audit engagement partners are notified of less than satisfactory engagement ratings on their respective cross-border engagements.

Additionally LAEPs of global audit accounts are notified where a subsidiary of their global account is audited by a member firm where significant quality issues have been identified during the QPR.

■ Risk Compliance Program (RCP)

KPMG International develops and maintains quality control policies and processes that apply to all member firms. These policies and processes, and their related procedures, include the requirements of ISQC-1.

During the annual RCP, we perform a robust assessment program consisting of documentation of quality controls and procedures, related compliance testing and reporting of exceptions, action plans and conclusions. The objectives of the RCP are to:

- Monitor, document and assess the extent of compliance of KPMG AZSA system of quality control with Global Quality & Risk Management policies and key legal and regulatory requirements relating to the delivery of professional services; and
- Provide the basis for KPMG AZSA to evaluate that the firm and its personnel comply with relevant professional standards and applicable legal and regulatory requirements.

Where deficiencies are identified, we are required to develop appropriate actions plan.

■ Global Compliance Review (GCR) Programs

Each member firm is subject to a GCR conducted by the global GCR team, independent of the member firm, at least once in a three year cycle. The GCR provides external validation of our system of quality control, including:

- our commitment to quality and risk management (tone at the top) and the extent to which the overall structure, governance and financing support and reinforce this commitment; and
- the completeness and robustness of our RCP.

The GCR team performing the reviews is independent of KPMG AZSA, objective and knowledgeable of Global Quality and Risk Management policies.

We develop action plans to respond to all GCR findings and agree these with the GCR team. Our progress on action plans is monitored by a Global GCR Central Team. Results are reported to the Global Quality & Risk Management Steering Group (GQRMSG), and where necessary to appropriate KPMG International and regional leadership, to ensure timely remedial actions.

3.7.1.2 External feedback and dialogue

3.7.2 Regulators

The Certified Public Accountants and Auditing Oversight Board (CPAAOB), as a regulator, monitors the quality control reviews

performed by the JICPA to ascertain fairness, neutrality and affectivity of the JICPA.

The CPAAOB reviews and examines reports of quality control reviews by the JICPA and, if deemed necessary, conducts on-site inspections of the JICPA, audit firms, etc.

The JICPA conducted a review of the firm in 2015. We received a report on the review and a report on improvement recommendations in February 2016. The JICPA conducted a follow-up review of the firm in 2015, and we received a report on the review in January 2017.

In addition, the JICPA conducted a special review of the firm from February 2016 to March 2016. We received the Special Quality Control Review Report in March 2016.

The CPAAOB inspected the firm in 2016, and we received a report of the inspection in May 2017.

At an international level, KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR) to discuss audit quality findings and actions taken to address such issues at a network level.

3.7.2.2 Client feedback

We proactively seek feedback from clients through in-person conversations to monitor their satisfaction with services delivered.

4. Who we are

4.1 Our business

KPMG AZSA LLC, a member firm of KPMG International, and as at 30 June 2017, holds 6,015 people in major cities in Japan, providing audit, attestation, and advisory services such as IFRS advisory service, accounting advisory service, financial advisory services, IT advisory service and advisory for initial public offerings.

We also offer highly specialized professional services that address the unique needs of sectors such as financial services, manufacturing, retail, IT, media, government, energy and healthcare.

As a member firm of KPMG International, KPMG AZSA LLC provides clients with a consistent set of professional services globally through a network in 152 countries.

4.2 Our strategy

Our firm's mission is to ensure the reliability of information by providing quality audit and accounting services as well as to contribute to the realization of a fair society and healthy development of our economy by empowering change. In order to execute our firm's mission, we have following vision: to be The Clear Choice for our clients, people and society.

4.3 Legal structure

KPMG AZSA LLC is a limited liability company incorporated under the Certified Public Accountant Law.

As at 30 June 2017, there were 614 partners in KPMG AZSA (30 June 2016: 607 partners).

A list of key entities, including details of legal structure, regulatory

status, nature of their business and area of operation is set out in Appendix.

4.4 Name, ownership and legal relationships

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

Member firms are generally locally owned and managed. Each member firm is responsible for its own obligations and liabilities. KPMG International and other member firms are not responsible for a member firm's obligations or liabilities.

Member firms may consist of more than one separate legal entity. If this is the case, each separate legal entity will be responsible only for its own obligations and liabilities, unless it has expressly agreed otherwise.

4.5 Responsibilities and obligations of member firms

Under agreements with KPMG International, member firms are required to comply with KPMG International's policies and regulations including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

Each member firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG values.

KPMG International's activities are funded by amounts paid by member firms. The basis for calculating such amounts is approved by the Global Board and consistently applied to the member firms. A firm's status as a KPMG member firm and its participation in the KPMG network may be terminated if, among other things, it has not complied with the policies and regulations set by KPMG International or any of its other obligations owed to KPMG International.

4.6 Governance structure

Our governance structure is composed of the Partners' Meeting, which is the highest decision-making body; the Board and the Executive Board, which make decisions concerning firm management and execution; and the Internal Audit Committee, which audits firm management and execution. In addition, the Senior Review Board, oversees the overall quality review process. Lastly, we also have established a Management Advisory Committee consisting of external experts to strengthen governance.

Significant firm matters are approved at the Partners' Meeting, and other matters concerning firm management decisions are approved by the Board and the Executive Board.

The Managing Partner and the Board members are elected directly by the firm's partners. The Managing Partner selects the Deputy Managing Partner and Executive Board members from among the Board members to constitute the Executive Board. All headquarters departments and audit divisions are established under the Executive Board.

In addition, the Internal Audit Committee consisting of auditors selected by partners at the Partners' Meeting audits the governmental body, such as Board and Executive Board and audit the execution of duties by the Managing Partner and Board Members.

Details of key governance bodies are given below. (As of June 30, 2017)

Partners' Meeting

Make decisions on significant matters related to management. Comprises all partners with capital contributions. Regular meetings are held twice a year.

Board

Make decisions on matters related to management. Comprises the Managing Partner, Deputy Managing Partner, and Board members. Meetings are held monthly.

Executive Board

Discuss execution of duties by Executive Board members. Comprises the Managing Partner, Deputy Managing Partner, and Executive Board members. Held at least once a month.

Senior Review Board

The firm's top review (shinsa) body. Comprised of partners selected

by the Board. Duty is to formulate basic policies for review of the firm's audit and attestation work and to conduct senior reviews (jokyu shinsa).

The Senior Review Board considers audit matters escalated by the regional review board that require significant judgment, as well as audit matters that meet certain established conditions, and makes a final judgment on the audit opinion on behalf of the firm. Meetings are held at least once a month for decision-making related to the firm's review system (shinsa) and for sharing information related to the matters subject to senior review (jokyu shinsa).

Internal Audit Committee

Monitor the execution of duties by the Managing Partner and the Board Members as independent body. Comprises three partners who are appointed at the Partners' Meeting. Meetings are held monthly.

Management Advisory Committee

Comprises four external experts with the purpose of enhancing governance and transparency of firm management, thereby contributing to the reliability of the firm's statutory audit and other operations. Meetings are held monthly.

As of July 1, 2017, we reorganized our firm's structure to clarify the role of management and strengthen supervision and evaluation in order to further improve governance. For details, refer to AZSA Quality 2017.

We endeavour to take this feedback and make changes appropriately at both the engagement level and firm level to meet clients' needs.

4.7 Partner remuneration

Our firm has compensation policies that are clear, simple, and linked to the performance evaluation process so that partners know what is expected of them and what they can expect to receive in return. Our policy prohibits audit partners from being evaluated on or compensated based on their success in selling non-assurance services to audit clients.

Partner remuneration is determined based on the points granted for the performance evaluation and the competence assessment, which is governed by the Partner Evaluation Regulations.

Points are granted within a range of a band that is determined by the partner's position, role, skills, etc.

4.8 Financial Information

(Million JPY)	2016	2017
Total turnover	89,895	95,952
Audit	69,875	72,160
Other non-audit service	20,020	23,792

5. Statement by the Board of KPMG AZSA on the effectiveness of quality controls and independence

The measures and procedures that serve as the basis for the system of quality control for KPMG AZSA outlined in this report aim to provide a reasonable degree of assurance that the statutory audits carried out by our firm comply with the applicable laws and regulations.

Because of its inherent limitations, the system of quality controls is not intended to provide absolute assurance that non-compliance with relevant laws and regulations would be prevented or detected. The Board of KPMG AZSA has considered:

- the design and operation of the quality control systems as described in this report;
- the findings from the various compliance programs operated by our firm (including the KPMG International Review Programs as described in section and our local compliance monitoring programs); and
- findings from regulatory inspections and subsequent follow up and/or remedial actions.

Taking all of this evidence together, the Board of KPMG AZSA confirms with a reasonable level of assurance that the systems of quality control within our firm have operated effectively in the year to 30 September 2017. Further, the Board of KPMG AZSA confirms that an internal review of independence compliance within our firm has been conducted in the year to 30 September 2017.

■ Appendices

A.1 Key legal entities and areas of operation

Name of Entity	Legal Structure	Regulatory Status	Nature of Business	Area of Operation
KPMG AZSA LLC	Limited Liability Company	Japan Registered Auditor	Audit and Advisory Services	Japan
KPMG FAS Co., Ltd.	Corporation	None	Advisory Services	Japan
KPMG Consulting Co., Ltd.	Corporation	None	Advisory Services	Japan
KPMG Healthcare Japan Co., Ltd.	Corporation	None	Advisory Services	Japan
KPMG AZSA Sustainability Co., Ltd.	Corporation	None	Sustainability audit/attestation /advisory	Japan

A.2 Details of those charged with governance at KPMG AZSA As of June 30,2017

Hiroyuki Sakai	Managing Partner,Planning
Tsutomu Takahashi	Deputy Management Partner,KPMG Japan Chairman,Marketing
Hiroyuki Takanami	Office Managing Partner – Tokyo,HR
Kenryo Goto	Office Management Partner - Osaka
Yasushi Yokoi	Office Management Partner - Nagoya,Diversity
Masahiro Mekada	Administration
Hiroshi Miura	Global Japanese Practice
Takuji Kanai	Quality Assurance
Toshiya Mori	Business Development

A.3 Public Interest Entities

The list of public interest entity audit clients for which KPMG AZSA has signed an audit opinion during the year ended 30 June 2017 is given below. The definition of public interest entities for this purpose is that given under the provision of the Code of Ethics issued by the Japanese Institute of Certified Public Accountants.

A&D Company, Limited	Asia Air Survey Co.,Ltd.	CORONA CORPORATION
ABIST Co., Ltd.	ASKUL Corporation	COSEL CO.,LTD.
ABU DHABI OIL CO.,LTD.	Asunaro Aoki Construction Co., LTD.	Cosmo Energy Exploration & Producti
ACCESS CO., LTD.	AT TOKYO CORPORATION	Cosmo Energy Holdings Co., Ltd.
Adways Inc.	ATOM CORPORATION	Cosmo Oil Co. Ltd.
Agriculture Livestock Industries	au Insurance Company, Limited	Cosmo Oil Marketing Co., Ltd.
Agriculture, Forestry and Fisheries	AZIA CO.,LTD.	CREATE MEDIC CO.,LTD.
AHJIKAN CO.,LTD	Azuma Shipping Co.,Ltd.	Credit Suisse Securities (Japan) Li
AICHI PREFECTURAL UNIVERSITY	Bandai Co., Ltd.	CROPS CORPORATION
Aichi University of Education	BANDAI NAMCO Entertainment Inc.	CSS HOLDINGS,Ltd
AIGAN CO.,LTD.	BANDAI NAMCO Holdings Inc.	Cybozu, Inc.
AIKO CORPORATION	Barclays Securities Japan Limited	D.A.Consortium Holdings Inc.
Aiming Inc.	Bell-Park Co., Ltd.	Dai Nippon Toryo Company,Limited
Aioi Nissay Dowa Insurance Co.,Ltd.	Best Denki Co., Ltd.	DAIBIRU CORPORATION
AIR WATER INC.	Besterra Co.,LTD.	DAI-DAN CO., LTD.
AIT CORPORATION	BMW Japan Finance Corp.	DAIDO KOGYO CO., LTD.
AIZAWA SECURITIES CO.,LTD.	BPEJapan-1 K.K.	DAIHEN Corporation
AJCC CORPORATION	Brass Corporation	DAIHO CORPORATION
Akatsuki Inc.	Broadleaf Co., Ltd.	Dai-ichi Life Holdings, Inc.
Albert Inc.	BRONCO BILLY CO.,LTD.	DAIICHI SANKYO COMPANY,LTD
ALFRESA CORPORATION	CALBEE, Inc.	DAIKEN MEDICAL Co., LTD.
ALFRESA HOLDINGS CORPORATION	CAPCOM CO., LTD.	DAIKOKU DENKI CO.,LTD.
ALINCO INCORPORATED	CAR MATE MFG.CO.,LTD.	DAIKYO INCORPORATED
Allianz Fire and Marine Insurance	CAREERLINK Co., Ltd.	DaikyoNishikawa Corporation
Allianz Life Insurance Japan Ltd.	CASIO COMPUTER CO.,LTD.	Daimler Financial Services Japan Co
Allied Architects,Inc.	C-CUBE Corporation	DAIREI.CO.,LTD.
Alpen Co.,Ltd.	Cedyna Financial Corporation	Daiso Holding Co.,Ltd.
ALPHA Corporation	CENTRAL AUTOMOTIVE PRODUCTS LTD.	DAISO INDUSTRIES CO.,LTD.
AMIYAKI TEI CO.,LTD.	CENTRAL TANSHI CO.,LTD.	DAITO GYORUI CO., LTD.
ANRITSU CORPORATION	Century 21 Real Estate Of Japan Ltd	Daito Pharmaceutical Co., Ltd.
AOYAMA TRADING CO., LTD.	CHEMIPRO KASEI KAISHA, LTD.	Daiwa Asset Management Co., Ltd.
Ap company Co.,Ltd	Chichibu Railway Co.,Ltd.	Daiwa International Holdings Inc.
ARCHITECTS STUDIO JAPAN INC.	CHITA KOGYO CO., LTD.	Daiwa investment management Inc
ART GREEN CO.,Ltd	Chubu Electric Power	Daiwa Next Bank, Ltd.
Artner Co.,Ltd	Chubu Steel Plate Co.,Ltd.	Daiwa Office Investment Corporation
ASAHI BREWERIES, LTD.	CHUCO CO.,LTD.	Daiwa PI Partners Co., Ltd
ASAHI CO.,LTD.	CHUGAI PHARMACEUTICAL CO., LTD.	Daiwa Securities Co.,LTD.
Asahi Glass Co., Ltd.	CHUKYO IYAKUHIN CO., LTD.	Daiwa Securities Group Inc.
Asahi Group Holdings, Ltd.	CHUO SEISAKUSHO, LTD.	Data Applications Company, Limited
Asahi Satellite Broadcasting Limite	Citigroup Global Markets Japan Inc.	DATA HORIZON CO.,LTD.
Asahi Security Co.Ltd.,	Coca-Cola Bottlers Japan Inc.	Densan Co.,Ltd
ASAHI SOFT DRINKS CO., LTD.	COLOWIDE Co.,Ltd.	DENTSU INC.
Asahikawa Medical University	COMANY INC.	DESCENTE,LTD.
Asaka Industrial Co.,Ltd.	Computer Institute of Japan, Ltd.	Deutsche Securities Inc.
Ashimori Industry Co.,Ltd.	COOKPAD Inc.	DIAMOND ELECTRIC MFG.CO.,LTD.

DIP Corporation	Gene Techno Science CO.,LTD	HORIBA, Ltd.
DISCO CORPORATION	GENERATION PASS Co.,Ltd.	HOSOKAWA MICRON CORPORATION
DKS Co. Ltd.	GEOSTR CORPORATION	HOTEL NEWGRAND CO.,LTD.
DLE Inc.	GIFU UNIVERSITY	HOTTO LINK INC.
DM SOLUTIONS Co., Ltd.	GIKEN LTD.	HyAS&Co. Inc
DOCOMO Systems, Inc.	Global Factoring Co., Ltd.	Hyogo University of Teacher Educati
DOSHISHA CO.,LTD.	GLP J-REIT	Ibaraki University
DOUTOR COFFEE CO.,LTD.	gremz,Inc.	IBIDEN CO.,LTD.
DOUTOR NICHIRETS Holdings Co.,Ltd.	Gurunavi, Inc.	IGNIS LTD.
DUNLOP SPORTS CO. LTD.	Gyxix Corporation	IINO KAIUN KAISHA, LTD.
DyDo GROUP HOLDINGS, INC.	H2O Asset Management Co.,Ltd	I'LL INC
DYNIC CORPORATION	H2O RETAILING CORPORATION	IMASEN ELECTRIC INDUSTRIAL CO., LTD
East Asia United Steel Corporation	HAGIWARA ELECTRIC CO.,LTD.	IMPERIAL HOTEL, LTD.
EAST JAPAN CONSTRUCTION SURETY CO.,	Hakuhodo DY Holdings Inc.	Inabata Co.,Ltd.
East Japan Railway Company	HAKUHODO DY MEDIA PARTNERS INCORPOR	INEST, Inc.
Eidai Co., Ltd.	HAKUHODO INCORPORATED	INFOCOM CORPORATION
EJ Holdings Inc.	HAKUTO CO.,LTD.	Information Services Intl - Dentsu
ELIY Power Co., LTD	Halows CO.,LTD.	Internetworking & Broadband Consult
Emergency Assistance Japan co.,Ltd.	HAMAMATSU UNIVERSITY SCHOOL OF MEDI	Interworks,Inc.
Encourage Technologies Co.,Ltd.	HANKYU CORPORATION	investors cloud co., ltd.
ENSHU TRUCK CO., LTD.	Hankyu Hanshin Financial Support Co	ISE CHEMICALS CORPORATION
Environmental Restoration and	HANKYU HANSHIN HOLDINGS, INC.	ISOLITE INSULATING PRODUCTS CO., LT
EPOS CARD CO.,LTD.	Hankyu Realty Co.,Ltd.	ITO EN,LTD.
ERI HOLDINGS CO.,LTD.	Hankyu REIT Inc.	Itoham Foods Inc.
Escrow AgentJapan,Inc.	HANSHIN ELECTRIC RAILWAY CO., LTD.	Itoham Yonekyu Holdings Inc.
extreme Co.,Ltd	HANWA CO.,LTD.	ITOKI CORPORATION
F@N Communications Inc.	HASHIMOTO SOGYO HOLDINGS CO.,LTD.	Ito-Yokado Co., Ltd.
FFRI,Inc.	Hatena Co.,Ltd	IWABUCHI CORPORATION
Fixstars Corporation	Hazama Ando Corporation	IWAKI & CO., LTD.
FreakOut Holdings, inc.	HEIWA REAL ESTATE REIT, Inc.	IWAKI CO.,LTD.
F-TECH INC.	HIBIYA ENGINEERING, LTD.	IWATANI CORPORATION
Fudo Tetra Corporation	HIGASHI TWENTY ONE CO.,LTD.	Iwatsu Electric Co.,Ltd.
FUJI CORPORATION	HIKARI TSUSHIN,INC.	IX Knowledge Inc.
FUJI HENSOKUKI CO.,LTD.	HI-LEX CORPORATION	IZUMI CO. LTD.
FUJI KOSAN COMPANY,LTD.	HIRATA Corporation	JACCS CO.,LTD.
FUJI MACHINE MFG. CO., LTD.	Hirosaki University	Jalux Inc,
Fuji Oil Company, Ltd.	HIROSE ELECTRIC CO.,LTD.	Janis Ltd.
FUJI OIL HOLDINGS INC.	Hiroshima Electric Railway Co., Ltd	Japan Agency for Marine-Earth Scien
Fuji Pharma Co.,Ltd.	HIROSHIMA GAS CO., LTD.	Japan Airlines Co., Ltd.
FUJI SEIKO LIMITED	Hiroshima Rapid Transit Co.,Ltd.	JAPAN ALCOHOL TRADING CO., LTD.
Fuji Xerox Co., Ltd.	HIROSHIMA UNIVERSITY	Japan Arts Council
FUJIFILM Corporation	HISAMITSU PHARMACEUTICAL CO.,INC.	JAPAN ATOMIC ENERGY AGENCY
FUJIFILM Holdings Corporation	Hitachi Zosen Corporation	Japan Corporate Housing Service Inc
FUKUDA DENSHI CO.,LTD.	Hokkaido Soda Co., Ltd.	Japan Display Inc.
FUKUYAMA TRANSPORTING CO.,LTD.	HOKKAIDO UNIVERSITY	JAPAN DRILLING CO.,LTD.
FUMAKILLA LIMITED	HOKUETSU KISHU PAPER CO.,LTD.	JAPAN ELECTRONIC MATERIALS CORPORAT
Fundely Co., Ltd.	Hokuriku Denwa Kouji Co.,Ltd.	Japan Environmental Storage & Safet
G-7 HOLDINGS Inc.	HONDA FINANCE CO. LTD.	Japan External Trade Organization
GameWith	Honda Motor Co., Ltd.	Japan Foods Co., Ltd.
GCA Corporation	Honda R&D Co., Ltd.	JAPAN FREIGHT RAILWAY COMPANY

Japan Hotel Reit Investment Corpora	Kawasaki Heavy Industries,Ltd.	Kyushu Institute of Technology
Japan International Research Center	KAWASAKI SETSUBI KOGYO CO.,LTD.	Lecip Holdings Corporation
JAPAN MATERIAL Co.,Ltd.	Kawasaki Thermal Engineering Co.,Lt	LIFE CORPORATION
Japan Mint	Keeper Co.,Ltd.	LIFENET INSURANCE COMPANY
JAPAN OIL TRANSPORTATION CO.,LTD.	KeePer Technical Laboratory Co.,Ltd	LIKE Co.,Ltd.
Japan Organization for Employment o	Keio Accounting Co.,Ltd.	LION OFFICE PRODUCTS CORP.
Japan Organization of Occupational	Keio Corporation	MAEDA ROAD CONSTRUCTION CO.,LTD.
JAPAN POST BANK Co., Ltd.	KENKO MAYONNAISE CO.,LTD.	MAEZAWA KYUSO INDUSTRIES CO.,LTD.
Japan Post Co.,Ltd.	KIKUCHI SEISAKUSHO Co., Ltd.	Makita Corporation
Japan Post Holdings Co.,Ltd.	KING JIM CO., LTD.	MAKIYA CO.,LTD.
Japan Post Insurance Co.,Ltd.	Kintetsu Department Store Co.,Ltd.	Mani, Inc.
Japan Post Transport Co., Ltd.	Kintetsu Gurop Holdings Co.,Ltd.	MARCHE CORPORATION
Japan Railway Construction ,Transpo	Kintetsu Railway Co.,Ltd.	Market Enterprise Co.,LTD
Japan Tissue Engineering Co., Ltd.	KINTETSU REAL ESTATE CO.,Ltd.	MarkLines Co., Ltd.
JAPAN TRANCITY CORPORATION	Kintetsu World Express, Inc.	Marudai Food Co.,Ltd.
Japan Trustee Services Bank, Ltd.	Kirin Brewery Company, Limited	MARUEI DEPARTMENT STORE COMPANY, LI
Japan Water Agency	Kirin Holdings Company, Limited	Maruha Nichiro Corporation
Japan-Brazil Niobium Corporation	KITAGAWA IRON WORKS CO.,LTD.	MARUI GROUP CO.,LTD.
JAPAN-SINGAPORE PETROCHEMICALS	KITAMURA Co.,Ltd.	MARUICHI STEEL TUBE Ltd.
JASON CO.,LTD.	KNT-CT Holdings Co., Ltd.	Maruto Sangyo Co.,Ltd
JECO CO.,LTD.	kobe city hospital organization	MARUWA CO., LTD.
Jetstar Japan Co., Ltd.	Kobe Electric Railway Co., Ltd.	Marvelous Inc.
JGC Corporation	Kobe Port Terminal Corporation	MassMutual Life Insurance Company
JIEC Co., Ltd.	Kobe Steel,Ltd.	Matsudo Kousan Co.,Ltd.
JMACS Japan Co., Ltd.	Kobe University	MAX CO., LTD.
JMC Corporation	KOBELCO CONSTRUCTION MACHINERY CO.,	Mazda Motor Corporation
JMS Co., Ltd.	Kobelco Eco-Solutions Co.,Ltd	MBS MEDIA HOLDINGS, INC.
JR East Management Service Co.,Ltd	Kobelco Financial Center Ltd.	MCUBS MidCity Investment Corporatio
JSR Corporation	Kochi University	MEDIA DO Co.,Ltd.
JUNTENDO CO. LTD.	KOEI CHEMICAL COMPANY, LIMITED	Media Kobo,Inc.
JUST PLANNING INC.	KOEI TECMO HOLDINGS CO., LTD.	Mediaflag inc.
JUTEC Holdings Corporation	Kojima Iron Works Co.,Ltd.	Medicare Life Insurance Co.,Ltd
K&O Energy Group Inc.	KOKUYO CO.,LTD.	MEDICEO CORPORATION
Kabushiki Kaisha Seiyoken	KOMATSU LTD.	MEDIPAL HOLDINGS CORPORATION
KAGOSHIMA UNIVERSITY	KOMATSU SEIREN CO.,LTD.	MegaChips Corporation
Kaitori Okoku Co,Ltd	KONICA MINOLTA, INC.	Meidensha Corporation
KAJI TECHNOLOGY CORPORATION	KONISHI CO.,LTD.	MEIJI ELECTRIC INDUSTRIES CO.,LTD.
Kakogawashimin Byoin Kiko,	KONOSHIMA CHEMICAL CO.,LTD.	Meiji Yasuda General Insurance Co.,
Kami-iida link Line KK	Kowa Company, Ltd.	Meiji Yasuda Life Insurance Company
Kanagawa Prefectural Hospital	KROSAKI HARIMA CORPORATION	Meiko Electronics Co.,Ltd.
Kanamic Network Co.,LTD	K'S HOLDINGS CORPORATION	Meitetsu Transportation Co., Ltd.
Kanda Holdings Co.,Ltd	KSK CO., LTD.	Meito Sangyo Co., Ltd.
KANEKA CORPORATION	KURODA ELECTRIC CO.,LTD.	MEIWA INDUSTRY CO.,LTD.
Kansai Airports	KUSURI NO AOKI HOLDINGS CO.,LTD.	Mercedes-Benz Finance Co., Ltd
Kansai Paint Co.,Ltd.	KYB Corporation	Mercedes-Benz Japan Co., Ltd.
Kansai Urban Banking Corporation	KYOEI STEEL LTD.	Merck Ltd.
KANTO RAILWAY Co.,Ltd.	Kyokuto Boeki Kaisha, Ltd.	Mercuria Investment Co.,Ltd.
KAPPA CREATE CO.,LTD.	Kyoto City University of Arts	MESCO,INC.
KATO SANGYO CO.,LTD.	KYOTO INSTITUTE OF TECHNOLOGY	METRO Cash & Carry Japan K.K.
KAWANISHI HOLDINGS, INC.	Kyoto University of Education	Metropolitan Intercity Railway Comp

MG Leasing Corporation	Nagoya Railroad Co.,Ltd.	Nikko Asset Management Co., Ltd.
MHI Finance Co., Ltd.	Nagoya University	NIKKO CO., LTD.
Mie Prefectural College of Nursing	Naikai Zosen Corporation	NIKKO COMPANY
Mie University	Naito&Co.,Ltd.	NIKKON Holdings CO.,LTD.
MINEBEA MITSUMI Inc.	Nakabohtec Corrosion Protecting Co.	NIPPO LTD.
Minnano Wedding Co.,Ltd.	NAKAYAMA STEEL WORKS LTD.	Nippon Accommodations Fund Inc.
MIRAIT Holdings Corporation	NAMCO LIMITED	Nippon Air Conditioning Services
MITANI SANGYO CO., LTD.	Nankai Electric Railway Co.,Ltd.	Nippon Automated Cargo and Port
Mitsubishi Aircraft Corporation	Nankai Tatsumura Construction Co.,L	Nippon Avionics Co., Ltd.
Mitsubishi Cable Industries,Ltd.	Nanocarrier Co., Ltd.	Nippon Beet Sugar Manufacturing Co.
Mitsubishi Electric Building	Nara Ikoma Rapid Railway Co., Ltd.	Nippon Building Fund Inc.
mitsubishi electric corporation	NARA INSTITUTE OF SCIENCE AND TECHNOLOGY	Nippon Electric Glass Co., Ltd.
Mitsubishi Electric Credit Co., Ltd	NARA KOTSU BUS LINES CO.,LTD.	Nippon Export and Investment Insura
Mitsubishi Fuso Truck and Bus	Nara Medical University	NIPPON FELT CO., LTD.
MITSUBISHI HEAVY INDUSTRIES LTD.	Nara University of Education	Nippon Healthcare Investment Corpor
Mitsubishi Heavy Industries Thermal Systems, Ltd.	Nara Women's University	Nippon Ichi Software, Inc.
Mitsubishi Hitachi Power Systems, Ltd.	NARIS COSMETICS CO.,LTD.	Nippon Koshuha Steel Co., Ltd.
MITSUBISHI LOGISTICS CORPORATION	Naruto University of Education	NIPPON PILLAR PACKING CO., LTD.
MITSUBISHI MATERIALS CORPORATION	National Center for Geriatrics and	Nippon Prologis REIT, Inc.
Mitsubishi Pencil Co.,Ltd.	National Institute for Environmenta	Nippon Record Keeping Network Co.,L
Mitsui Direct General Insurance	National Institute of Information a	Nippon Reit Investment Corporation
Mitsui Engineering & Shipbuilding	National Institutes for Quantum and	NIPPON RIETEC CO., LTD.
Mitsui Fudosan Co.,Ltd.	National Institutes for the Humanit	Nippon Signal Company, Ltd.
Mitsui Fudosan Logistics Park Inc.	National Institutes of Natural Scie	Nippon Steel & Sumikin Coated Sheet
MITSUI FUDOSAN REALTY CO.,LTD.	National Printing Bureau	NIPPON STEEL & SUMIKIN ENGINEERING
Mitsui Fudosan Residential Co.,Ltd.	NATOCO Co.,Ltd.	NIPPON STEEL & SUMIKIN FINANCE CO.,
Mitsui Home Co.,Ltd.	NC Holdings Co., Ltd.	NIPPON STEEL & SUMIKIN KOUTETSU
Mitsui Mining and Smelting Company,	NDS CO.,LTD.	NIPPON STEEL & SUMIKIN TEXENG.CO.,L
Mitsui O.S.K. Lines, Ltd.	NEC Capital Solution Limited	NIPPON STEEL & SUMITOMO METAL
Mitsui Sumitomo Aioi Life Insurance	NEC CORPORATION	NIPPON TELEGRAPH AND TELEPHONE
Mitsui Sumitomo Insurance	NEC Networks and System Integration	NIPPON TELEGRAPH AND TELEPHONE EAST
Mitsui Sumitomo Primary Life Insura	NEC Platforms, Ltd.	NIPPON TELEGRAPH AND TELEPHONE WEST
Mitsui-Soko Holdings Co., Ltd.	NEC Solution Innovators, Ltd.	Nippon Usiminas Co.,Ltd.
Mitsuuroko Group Holdings Co.,Ltd.	NEOJAPAN.Inc	NISHIKAWA RUBBER CO.,LTD.
Miyagi University of Education	Nestle Japan Ltd.	Nishi-Osaka Railway Co.,Ltd.
Mobile Factory, Inc	New Energy and Industrial Technolog	NISSEI BUILD KOGYO CO.,LTD.
Mobit Co., LTD.	NEWTON FINANCIAL CONSULTING INC.	Nissen Holdings Co., Ltd.
MODEC ,Inc.	NGK SPARK PLUG CO., LTD.	Nisshin Steel Co., Ltd.
Momiji Bank, Ltd.	NICCA CHEMICAL CO., LTD.	NISSHO ELECTRONICS CORPORATION
Monex Group,Inc.	NICHIA CORPORATION	NISSIN CORPORATION
Monex, Inc.	NICHIA STEEL WORKS, LTD.	Nissin Electric Co., Ltd.
MOONBAT Co.,Ltd.	NICHIHA CORPORATION	NITTO DENKO CORPORATION
MORI TRUST Hotel Reit, INC.	Nichi-Iko Pharmaceutical Co.,Ltd.	NITTO KOGYO CORPORATION
Mori-Gumi Co.,Ltd.	Nifco Inc.	NKK SWITCHES CO., LTD.
MOS FOOD SERVICES, INC.	NIHON DECOLUXE CO.,LTD.	nms Holdings Corporation
MS&AD Insurance Group Holdings, Inc	NIHON DEMPA KOGYO CO.,LTD.	NN Life Insurance Company, Ltd.
MUTO SEIKO CO.	NIHON PLAST CO., LTD.	NODA CORPORATION
MYSTAR ENGINEERING CORP.	NIHON TRIM CO.,LTD.	NOHMI BOSAI LTD.
Nabtesco Corporation	Nihon Yamamura Glass Co.,Ltd.	NOMURA Co.,Ltd.
NAGAOKA INTERNATIONAL CORPORATION	Niigata University	NORITAKE CO.,LIMITED

NORITZ CORPORATION	Osaka Prefectural Hospital Organiza	RISO KAGAKU CORPORATION
North Pacific Bank,Ltd.	Osaka Prefecture University	ROHTO PHARMACEUTICAL CO.,LTD.
Northern Territories Issue Associat	OSAKA STEEL CO., LTD.	RS Technologies Co., Ltd.
NS Solutions Corporation	Osaka University	Ryohin Keikaku Co.,Ltd.
NSD CO.,LTD.	OSJB Holdings Corporation	Ryoyo Electro Corporation
NTT Communications Corporation	O'will Corporation	S Foods Inc.
NTT COMWARE CORPORATION	PS. Mitsubishi Construction Co., L	S LINE CO.,LTD.
NTT DATA CORPORATION	Pacific Metals Co., Ltd.	SAC'S BAR HOLDINGS INC.
NTT DATA INTRAMART CORPORATION	PACIFIC SYSTEMS CORPORATION	SAGAMI CHAIN CO.,LTD.
NTT DOCOMO, INC.	PAL GROUP HOLDINGS CO.LTD	SAGAMI CO., LTD.
NTT FACILITIES, INC.	PALEMO CO., LTD.	SAINT-CARE HOLDING CORPORATION
NTT FINANCE CORPORATION	PALTAC Corporation	SAITAMA UNIVERSITY
NTT Plala Inc.	PANASONIC CONSUMER MARKETING CO., L	SAKATA INX CORPORATION
NTT Security Corporation	Panasonic Corporation	SAKATA SEED CORPORATION
NTT Urban Development Corporation	Panasonic Ecology Systems Co., Ltd.	SAKURA KCS Corporation
OGURA CLUTCH CO.,LTD.	Panasonic Healthcare Co.,Ltd.	SAKURAI LTD.
Ohtone Country Club Limited	Panasonic Healthcare Holdings Co, L	SAMCO Inc.
Oita University	Panasonic Liquid Crystal Display Co	Sammy Corporation
OIZUMI CORPORATION	PANASONIC SEMICONDUCTOR SOLUTIONS C	SAN-AI OIL CO.,LTD.
OKADA AIYON CORPORATION	PANASONIC SMARTFACTORYSOLUTIONSCO.,	SANDEN HOLDINGS CORPORATION
Okamoto Machine Tool Works,Ltd.	Panasonic System Solutions Japan Co	SANKI SERVICE CORPORATION
OKAMURA CORPORATION	PARCO CO., LTD.	SANKO GOSEI LTD.
OKAYA & CO.,LTD.	Pasco Corporation	SANKO METAL INDUSTRIAL CO., LTD.
OKAYA ELECTRIC INDUSTRIES CO.,LTD.	PCA CORPORATION	Sankyo Tateyama , Inc.
Okayama City Genral Medical Center	People Co.,Ltd.	SANNO CO.,LTD.
OKAYAMA PREFECTURAL UNIVERSITY	PeptiDream Inc.	Sanoyas Holdings Corporation
okayama university	Pfizer Japan Inc.	SANRIN CO.,LTD.
OLIVER CORPORATION	Pfizer Seiyaku K.K.	SANRITSU CORPORATION
OM2 NETWORK CO.,LTD.	Phoenix Bio Co.,Ltd.	Sansei Landic Co.,Ltd
OPT Holding, Inc.	PIPEDO HD, Inc.	Sansha Electric Manufacturing Co.,L
Organization for Environment	Pla Matels Corporation	SANTEC CORPORATION
Organization for Small & Medium	POVAL KOGYO CO.,LTD.	SANTEN PHARMACEUTICAL CO., LTD.
Organization for Workers' Retiremen	Powdertech Co.,Ltd.	SANYO Electric Co., Ltd.
ORIENTAL CHAIN MFG. CO.,LTD.	PRAP Japan, Inc.	SANYO INDUSTRIES, LTD.
ORIENTAL LAND CO.,LTD.	Premier Investment Corporation	Sanyo Shokai Ltd.
ORIX Auto Corporation	PRESS KOGYO CO., LTD.	Sanyo Special Steel Co., Ltd.
ORIX Bank Corporation	PROTO CORPORATION	SANYU CO.,LTD.
ORIX CORPORATION	Qoi Co., Ltd.	SATO SHOJI CORPORATION
Orix Credit Corporation	QVC Japan, Inc.	SATORI ELECTRIC CO.,LTD.
ORIX JREIT INC.	RAKUS Co.,Ltd.	SAWAI PHARMACEUTICAL CO., LTD.
ORIX Life Insurance Corporation	RENGO CO.,LTD.	SBI Sumishin Net Bank, Ltd.
ORO Co., Ltd.	Research Organization of Information and Systems	SCREEN Holdings Co., Ltd
ORVIS CORPORATION	RESORTTRUST,INC.	SCSK Corporation
OS CO.,LTD.	RIBOMIC Inc.	Secom Co. Ltd.
Osaka City Hospital Organization	Ricoh Company, Ltd.	Secom General Insurance Co., Ltd.
Osaka City University	RICOH JAPAN Corporation	SECOM JOSHINETSU CO.,LTD.
Osaka Gas Chemicals Co., Ltd.	RICOH LEASING COMPANY, LTD.	Sega Holdings Co., Ltd.
OSAKA GAS CO.,LTD.	RIGHT-ON CORPORATION	SEGA SAMMY HOLDINGS INC.
OSAKA KOHKI CO.,LTD	RIKEN THE INSTITUTE OF PHYSICAL AND	SEIKO HOLDINGS CORPORATION
Osaka Kyoiku University	Riken Vitamin Co., Ltd.	SEINO HOLDINGS CO., LTD.

SEIWA CHUO HOLDINGS CORPORATION	Sotetsu Holdings,Inc.	Taisei Lamick Co.,Ltd.
Seven & i Asset Management Co., Ltd	Sotetsu Urban Creates Co., Ltd	TAISEI ROTEC CORP
SEVEN & i Financial Center Co., Ltd	SOTOH CO.,LTD.	Taisei-Yuraku Real Estate Co., Ltd.
Seven & i Holdings Co., Ltd.	Space Shower Networks Inc.	TAIYO KISOKOGYO CO.,LTD.
Seven Bank, Ltd.	SPC Kappa, KK	TAIYO YUDEN CO., LTD.
SEVEN CARD SERVICE CO., LTD.	Stanley Electric Co., Ltd.	TAKADAKIKO Co.,Ltd.
Seven CS Card Service Co., Ltd.	STAR MICA CO.,LTD.	TAKAGI SECURITIES CO., LTD.
Seven Financial Service Co.,Ltd	Star Flyer Inc.	TAKAGI SEIKO CORPORATION
SEVEN INDUSTRIES Co.,LTD.	START TODAY Co.,Ltd.	TAKAKITA CO.,LTD.
SEVEN-ELEVEN JAPAN CO., LTD.	Strike Co., Ltd.	Takamatsu Construction Group Co., L
SHiDAX CORPORATION	SUBARU CORPORATION	TAKAMATSU MACHINERY CO.,LTD.
SHIGA UNIVERSITY OF MEDICAL SCIENCE	SUBARU FINANCE CO.,LTD.	TAKASAGO INTERNATIONAL CORPORATION
SHIMACHU CO.,LTD.	SUCCESS Holdings Company Limited	Takasago Thermal Engineering Co.,Ltd
SHIMAMURA CO.,Ltd.	Sugai Chemical Industry Co.,LTD.	TAKASHIMA & CO.,LTD.
SHIN NIPPON BIOMEDICAL LABORATORIES	SUMIDA CORPORATION	Takashimaya Company,Limited
SHINAGAWA REFRACTORIES CO.,LTD.	Sumitomo Bakelite Co.,Ltd.	TAKE AND GIVE. NEEDS Co.,Ltd.
Shinhan Bank Japan	SUMITOMO CHEMICAL COMPANY, LIMITED	Takeda Pharmaceutical Company Limit
Shinko Wire Company,Ltd.	SUMITOMO CORPORATION	TAKEDA PRINTING CO., LTD.
SHINPO CO.,LTD	Sumitomo Dainippon Pharma Co., Ltd.	TAKEEI CORPORATION
Shinsho Corporation	SUMITOMO DENSETSU CO.,LTD.	TAKENAKA CORPORATION
SHINTO PAINT COMPANY, LIMITED	SUMITOMO ELECTRIC DEVICE INNOVATION	TAKISAWA MACHINE TOOL CO.,LTD.
SHINYEI KAISHA	Sumitomo Electric Industries, Ltd.	Takuma Co.,Ltd.
SHIP HEALTHCARE HOLDINGS Co.,Ltd	Sumitomo Heavy Industries,Ltd.	TANAKA SEIMITSU KOGYO CO.,LTD
Shiseido Company, Limited	Sumitomo Life Insurance Company	TAOKA CHEMICAL COMPANY, LIMITED
Shiseido Japan Co., Ltd.	Sumitomo Metal Mining Co.,Ltd.	TBK Co., Ltd.
Shizuoka University of Art and Cult	Sumitomo Mitsui Auto Service Compan	TDK Corporation
SHL-Japan Ltd.	Sumitomo Mitsui Banking Corporation	TDK-EPC Corporation
SHOKO CO., LTD.	Sumitomo Mitsui Card Company, Limit	TEAC CORPORATION
Showa Denko K.K.	Sumitomo Mitsui Finance and Leasing	Techfirm Holdings Inc.
SIIX CORPORATION	Sumitomo Mitsui Financial Group,Inc	TechMatrix Corporation
Sincere Co., LTD.	Sumitomo Mitsui Trust Bank, Limited	TECHNO ASSOCIE CO., LTD.
SINFONIA TECHNOLOGY Co.,Ltd	Sumitomo Mitsui Trust Club Co., Ltd	TECHNO HORIZON HOLDINGS CO.,LTD.
SK-Electronics CO.,Ltd.	Sumitomo Mitsui Trust Holdings, Inc	Teijin Film Solutions Limited
SMBC Consumer Finance Co., Ltd.	Sumitomo Mitsui Trust Loan & Financ	TEIJIN LIMITED
SMBC Finance Service Co.,Ltd.	Sumitomo Mitsui Trust Panasonic	Teijin Pharma Limited
SMBC Friend Securities Co.,Ltd.	Sumitomo Realty & Development Co.,L	TEKKEN CORPORATION
SMBC Guarantee Co., Ltd.	Sumitomo Riko Company Limited	TEN ALLIED CO.,LTD.
SMBC Loan Business Planning Co., L	Sumitomo Rubber Industries, Ltd.	TENMA CORPORATION
SMBC Nikko Securities Inc.	Sumitomo Seika Chemicals Company,	TENOX CORPORATION
SMBC Trust Bank Ltd.	SUMITOMO WIRING SYSTEMS, LTD.	TERRASKY CO.,LTD.
SMFG Card & Credit, Inc.	SUMITOMO(S.H.I) CONSTRUCTION MACHIN	TERUMO CORPORATION
SMFL Capital Company, Limited	SUN LIFE CORPORATION	TESEC Corporation
SMM Auto Finance,Inc.	SUNCORPORATION	The Aichi Bank,Ltd.
Sobal Corporation	SYSTEM INFORMATION CO.,LTD	The Asahi Shimbun Company
SODA NIKKA CO.,LTD.	SYSTEMS DESIGN Co.,Ltd.	THE AWA BANK, LTD.
Sogo & Seibu Co., Ltd.	Systema Corporation	The Bank of Iwate,Ltd.
Sojitz Corporation	TAIHEIYO CEMENT CORPORATION	THE BANK OF KOCHI,LTD.
Soken Chemical & Engineering Co., L	TAIHO TRANSPORTATION CO., LTD.	The Bank of Nagoya, Ltd.
Solasto Corporation	Taiko Pharmaceutical Co.,Ltd.	The Bank of New York Mellon Trust
SOLCOM CO.,LTD.	Taisei Corp.	The Chugoku Bank, Limited

The Chugoku Electric Power Company,	Tokyo Gas Engineering Solutions	University of Tsukuba
The Dai-ichi Frontier Life Insuranc	Tokyo Gas Urban Development Co.,Ltd	URBAN LIFE Co.,Ltd.
The Dai-ichi Life Insurance Company	Tokyo Kisen Co.,Ltd.	URBANET CORPORATION CO., LTD.
The Daishi Bank,Ltd.	TOKYO PRINTING INK MFG. CO., LTD.	USS CO., LTD.
The Eighteenth Bank,Limited	Tokyo Sangyo Co.,Ltd.	Utoc Corporation
The Fukui Bank, Ltd.	TOKYO STEEL MANUFACTURING CO.,LTD.	Utsunomiya University
The Global Ltd.	TOKYO TEKKO CO.,LTD.	VALUE GOLF
The Hiroshima Bank,Ltd.	Tokyo University of Foreign Studie	V-cube,Inc.
The Hyakugo Bank, Ltd.	TOLI Corporation	VeriServe Corporation
THE IMAMURA SECURITIES CO.,LTD.	TOMY COMPANY,LTD.	Viewcard Co.,Ltd
The Iyo Bank, Ltd.	TOPPAN PRINTING CO., LTD	Village Vanguard CO.,LTD.
The Japan Living Service Co., LTD.	TOREX SEMICONDUCTOR LTD.	Vision Inc.
The Japan Net Bank, Limited	TORIDOLL Holdings Corporation	WADAKOSAN CO.,LTD.
The Japan Research Institute, Limit	Torikizoku co.,Ltd	WAKACHIKU CONSTRUCTION CO., LTD
THE KINKI SHARYO CO.,LTD.	TOSHO CO.,LTD.	WAKAYAMA MEDICAL UNIVERSITY
The Kitakyushu Bank, Ltd.	Tosho Printing Company,Limited	wakayama university
The Kiyo Bank,Ltd.	TOSOH CORPORATION	WATANABE PIPE CO.,LTD.
The Kodensha, Co., Ltd.	Totenko Co., Ltd.	Welfare and Medical Service Agency
THE KOSEI SECURITIES CO., LTD.	TOTETSU KOGYO CO.,LTD.	WEST JAPAN CONSTRUCTION SURETY CO.
The Management Organization for Pos	Toukei Computer Co.,Ltd	WILSON LEARNING WORLDWIDE INC
The Mie Bank, Ltd.	TOYAMA CHEMICAL CO., LTD	WIN-Partners Co.,Ltd.
THE MINATO BANK,LTD.	TOYO KNIFE Co.,LTD.	WOOD FRIENDS CO.,Ltd.
THE NANTO BANK,LTD.	Toyo Logistics Co.,Ltd.	W-SCOPE Corporation
The Neo First Life Insurance Compan	TOYO SECURITIES CO.,LTD.	XNET Corporation
The Ogaki Kyoritsu Bank, Ltd.	TOYO SUGAR REFINING CO., LTD.	Yachiyo Industry Co., Ltd.
The Resolution and Collection	TOYO SUISAN KAISHA LTD.	YAMADA DENKI CO.,LTD.
THE ROYAL HOTEL,LIMITED	Toyo Tire & Rubber Co., Ltd.	Yamada finance service,KK
THE SAIKYO BANK,LTD.	TOYOBO CO.,LTD.	YAMADA SXL HOME Co., Ltd.
The Sapporo Television Broadcasting	TOYOHASHI UNIVERSITY of TECHNOLOGY	YAMAE HISANO CO.,LTD.
The Shimane Bank,Ltd.	TRANSACTION CO.,LTD.	Yamagata JR Chokko Tokkyu Hoyu Co.,
THE SHIMIZU BANK,LTD	Trans-Tokyo Bay Highway Corporation	Yamaguchi Financial Group, Inc.
The Sumitomo Warehouse Co.,Ltd.	Treasure Factory Co.,LTD.	Yamaguchi University
The Tokyo Star Bank, Limited	Trend Micro Incorporated	YAMAKI CO.,LTD.
The Yamaguchi Bank,Ltd.	TSI HOLDINGS CO., LTD.	YA-MAN LTD.
Toba Inc.	TSUBAKI NAKASHIMA CO.,LTD	YAMASHITA MEDICAL INSTRUMENTS CO.,
TOBU RAILWAY CO.,LTD.	TSUBAKIMOTO KOGYO CO.,LTD.	YAMATO CORPORATION
Tobu Shared Service Co.,Ltd	Tsukuba Bank, Ltd	Yashima Denki Co., Ltd.
TOBU STORE Co.,Ltd.	TSUKUI CORPORATION	YASUNAGA CORPORATION
TOBU TOWER SKYTREE CO., LTD	TSURUHA HOLDINGS INC.	Yokohama City University
TODA KOGYO CORP	TSUTSUMI JEWELRY CO.,LTD.	YOKOWO CO.,LTD.
TOENEC CORPORATION	TV Asahi Holdings	yossix co., ltd
Toho Acetylene Co., Ltd.	Ubiteq,INC.	YUTAKA GIKEN CO.,LTD.
TOHO GAS CO., LTD.	UCHIDA ESCO CO.,LTD.	ZAOH COMPANY, LTD.
Tohoku Steel Co.,Ltd.	Uchida Yoko Co.,Ltd.	ZAPPALLAS,INC.
Tokushu Tokai Paper Co.,Ltd.	UKC Holdings Corporation	Zeria Pharmaceutical Co., Ltd.
Tokyo Broadcasting System Holdings,	United & Collective Co., Ltd.	ZERO CO., LTD.
TOKYO DOME CORPORATION	UNIVANCE CORPORATION	ZETT CORPORATION
TOKYO ELECTRON DEVICE LIMITED	UNIVERSITY OF FUKUI	ZOJIRUSHI CORPORATION
TOKYO ELECTRON LIMITED	UNIVERSITY OF HYOGO	Zuken Inc.
Tokyo Financial Exchange Inc.	University of Miyazaki	
Tokyo Gas Co.,Ltd.	UNIVERSITY OF TOKUSHIMA	

A.4 KPMG Values

KPMG people work together to deliver value to clients. We believe strongly in a common set of shared values which guide our behavior when dealing with both clients and each other:

We lead by example: At all levels we act in a way that exemplifies what we expect of each other and our clients.

We work together: We bring out the best in each other and create strong and successful working relationships.

We respect the individual: We respect people for who they are and for their knowledge, skills, and experience as individuals and team members.

We seek the facts and provide insight: By challenging assumptions and pursuing facts, we strengthen our reputation as trusted and objective business advisers.

We are open and honest in our communication: We share information, insight, and advice frequently and constructively and manage tough situations with courage and candor.

We are committed to our communities: We act as responsible corporate citizens by broadening our skills, experience, and perspectives through work in our communities and protecting the environment.

Above all, we act with INTEGRITY: We are constantly striving to uphold the highest professional standards, provide sound advice and rigorously maintain our independence.

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