

CORPORATE GOVERNANCE

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At Star Micronics, our basic approach to corporate governance is based on fulfilling our responsibilities as a company by working to increase corporate value in a sustained manner through proper and efficient management, and appropriately distributing the resulting profits to shareholders and other stakeholders.

Star Micronics uses the corporate auditor system. Under this system, the Board of Directors is responsible for making rapid and reasoned management decisions and executing strategy in a flexible manner. To ensure proper decision-making and operational execution, we have appointed corporate auditors, including full-time auditors, all of whom are outside appointments. We have also concluded an audit contract with the accounting auditor, Deloitte Touche Tohmatsu LLC. The accounting auditor works with the Board of Corporate Auditors to conduct appropriate audits of the Company.

In order to ensure compliance with all relevant laws and regulations and business ethics, we have established a dedicated internal organization to promote compliance as well as formulated the Star Micronics Charter of Corporate Conduct and a Code of Conduct. In addition, we are taking steps to enhance our internal control system, such as by establishing a Risk Management Committee, to mitigate and respond to risks faced by the Company.

