

# Corporate Governance and Internal Controls

## Corporate Governance

At HORIBA, Ltd., the Board of Auditors, which is comprised of three auditors (including two outside auditors), supervises and monitors the business operations conducted by the Board of Directors. HORIBA's corporate governance system consists of the Board of Directors, whose roles include decision-making, supervision and monitoring of business management, together with the Board of Executive Directors, the Operations Committee, the Management Committee and the Corporate Officer (Executive Officer)

System, which assist the Representative Director and President. We have also established an internal auditing division that exists independently of other divisions and is under the direct control of the Representative Director and President. The auditing division provides advice and guidance to ensure that business operations throughout all HORIBA group companies are conducted legally and fairly in accordance with laws, statutes, and company regulations.

## Internal Controls

In order to maintain proper internal controls, we have adopted the basic policies on the development of internal control systems as a means of ensuring that the tasks of directors and employees are executed appropriately and efficiently in compliance with the relevant laws and statutes. Based on such policies, we have developed our legal compliance and risk management systems.