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Announcement regarding Suggestions from the Third Party Committee
-- Explanation regarding the Company's Governance System --

On June 21 of this year we received a report from the Third Party Committee as to matters which our company asked the Committee to investigate in regards to the casino resort project being promoted by our corporate group in the Philippines. The report contained an examination of our company's corporate governance and internal controls systems from 2009 through May 2010 and recurrence prevention suggestions. We are reporting on the measures we have implemented from that time.

At the time, the governance system was weak and, as pointed out by the Third Party Committee, payment made in violation of internal accounting procedures was limited to overseas business divisions and subsidiaries, including this project, during the aforementioned time period.

Even during the subject time period, there were no major problems whatsoever in terms of governance in our domestic business, which is our primary business. However, business performance during this time was sluggish and our company felt a need to reform the management system with an aim toward quick decision-making and dynamic business execution. In June of 2010, a shift was made from a company with committees to a company with auditors, and the current directors were chosen as the directors.

Subsequently, centered on the current directors, plans were created for a performance recovery as well as for strengthening of the governance system, upgrading of accounting systems and implementation of management accounting. These were all implemented and business performance made a rapid recovery, with continuous upward revisions in business plan achievement on a semi-annual basis. Also, procedural inadequacies and major problems were eliminated.

As a result, we believe that our improvement measures regarding governance have produced steady good results on a large scale.

Further, although still in the preparation stage, we are assiduously working on improving the efficient and strict operation of management accounting that also supports international accounting standards, in conjunction with the earnest business development of new business overseas.

In regards to specific measures from that time through the present, we analyzed the causes of what occurred at the time and made improvements by implementing various measures, as described below.

1. Strengthening of overseas project execution management systems
2. Strengthening of internal control systems relating to decision-making
 - Ensuring comprehensiveness for Ringi matters by the introduction of an electronic Ringi [Request for Managerial Decision] system (including subsidiaries)
 - Review of internal rules and regulations, including official authority rules
 - Conversion to electronic formats for budget management, progress status management,

- contract management and completely electronic authority management
 - Decision-making procedures coupled to electronic Ringi forms, maintenance of a real-time database for a series of procedure execution tasks, and prohibition of execution Ringi by paper
 - Consolidated and complete conversion to electronic format for order receipt and issuance management
 - Electronic recording of meetings
3. Strengthening of account settlement and financial reporting systems
- Consolidation of consolidated account settlement work by use of the same auditors, including affiliates and such subject to consolidated reporting
 - Provision and use of overseas subsidiary account settlement procedures manual
 - Use of accounting experts (certified public accountants, accounting assistants)

As a result of improvements for the provision and use of governance systems implemented since 2011 based on the above measures, we believe that the enhancement measures in terms of governance are functioning as of the end of this fiscal business year, but we will scrutinize the suggestions of the Third Party Committee and hope to put into place an even stronger governance system.