

**“Mission of *Kansayaku*” and  
“Mission of the Japan Corporate Auditors Association”**

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Japan Corporate Auditors Association

Sound and efficient corporate management is essential at all times, in order to ensure people's well-being and increase affluence in society. In order to attain this objective, *Kansayaku* must fully discharge their responsibilities, with the aim of establishing solid corporate governance so that corporations can be soundly managed while still continuing to grow.

The Japan Corporate Auditors Association (JCAA), a public interest incorporated association, supports the work of *Kansayaku* to enable them to meet the expectations of various stakeholders including shareholders and the expectations of society, by carrying out the responsibilities of *Kansayaku* as provided by law. The JCAA also has the important mandate of raising the awareness of people both in and outside Japan, of the reliability and value of Japan's *Kansayaku* system.

The mission statements set out in this document are intended to state clearly the roles and mandates of *Kansayaku* and the JCAA and to convey their resolve to carry out those roles and mandates effectively.

### Mission of *Kansayaku*

We aim to contribute extensively to the sound and ongoing growth of corporations and society by maintaining a fair and impartial stance in our role in upholding corporate governance.

### Guidelines for Conduct of *Kansayaku*

- (1) We meet the expectations of all stakeholders by undertaking continuous education, cultivating a spirit of independence and self-discipline, and being trustworthy.
- (2) We perform our daily activities as *Kansayaku* with fairness and in good faith based on the principle of integrity, the precepts generally accepted in society and accurate information sourced from our on-site visits.
- (3) We strive to strengthen corporate governance by carrying out our duties as *Kansayaku* in a principled and professional manner and by being accountable in all circumstances.

## Mission of the Japan Corporate Auditors Association

We aim to contribute to the creation of an affluent global community by:

- raising the awareness of people both in and outside Japan about the reliability and value of Japan's *Kansayaku* system and
- establishing an effective system of corporate governance by promoting knowledge about the role and mission of *Kansayaku* and making *Kansayaku* more conscious of their role and mission.

## Initiatives of the Japan Corporate Auditors Association (JCAA)

- (1) We research the roles and functions of *Kansayaku* and issue guidelines for conduct that meet the needs and expectations of society, so that *Kansayaku* can fully discharge their responsibilities.
- (2) We offer *Kansayaku* opportunities to deepen and increase their knowledge and consciousness of their role, so that they can assist corporations in performing their corporate social responsibility commitments and contribute to strengthening corporate governance.
- (3) We seek to propose the most effective form of corporate governance for Japan through broad dialogue with society, in order to increase the value of the *Kansayaku* system.

**Supplementary Explanation regarding  
“Mission of *Kansayaku*” and  
“Mission of the Japan Corporate Auditors Association”**

**Mission of *Kansayaku***

- “in our role in upholding corporate governance”

This phrase conveys that *Kansayaku* bear key responsibility, alongside corporate management, for strengthening corporate governance.

**Guidelines for Conduct of *Kansayaku***

- Item 1: “meet the expectations of all stakeholders”

This phrase conveys that *Kansayaku* act for shareholders who have entrusted them with responsibilities, and that *Kansayaku*’s accommodation of the expectations of all stakeholders in a fair manner leads in turn to increased benefit to shareholders.

- Item 2: “based on the principle of integrity”

This phrase conveys the basic approach of *Kansayaku* in carrying out their auditing activities. In other words, integrity underlies *Kansayaku*’s quest to obtain sufficient and accurate information.

**Mission of the Japan Corporate Auditors Association**

- “contribute to the creation of an affluent global community”

Now that the JCAA is a public interest incorporated association, it is even more strongly encouraged to develop ties with society,. This is also indicated in its new articles of incorporation. This phrase conveys that the JCAA, as a member of society, will make appropriate contributions to Japanese society and also to the global community, in light of this new role expected of the JCAA.

- “developing the awareness of people both in and outside Japan, about the reliability and value of Japan’s *Kansayaku* system”

The functions of Japan’s *Kansayaku* system have been reinforced by numerous revisions to laws and regulations applying to *Kansayaku*. At the

same time, the expectations of society underlying such legal revisions have continued to increase. This phrase expresses the resolve of the JCAA to actively explain that the *Kansayaku* system has earned great trust in terms of Japanese corporate practices and that the system has a substantial and adequate function, and to raise people's awareness and understanding of the *Kansayaku* system, with a view to reaching the wider global community.

### **Initiatives of the Japan Corporate Auditors Association (JCAA)**

- Item 1: “research the roles and functions of *Kansayaku*”

Many aspects of the role of *Kansayaku* are provided by law; however, the term “functions” refers to the actual impact that *Kansayaku* have on society by carrying out their role. The JCAA shall research what role *Kansayaku* should play and consequently what functions *Kansayaku* should perform.

- Item 3: “through broad dialogue with society”

The JCAA shall proactively make recommendations and offer opinions on the most effective system of corporate governance and the *Kansayaku* system in Japan. Both in and outside Japan, the JCAA shall actively explain and raise people's awareness of the reliability and value of *Kansayaku* .