

Corporate Governance

We are working to establish organizational systems and control each organizational activity in a cross-sectional manner for transparent and fair corporate management.

Basic Perspective

The Mitsubishi Rayon Group is working to enhance its corporate governance based on its view that “corporate social responsibility consists of undertaking fair business activities in compliance with laws and with a high standard of corporate ethics.” To achieve this, the Group has established the following systems:

1 Business operating system for assured decision-making and efficient operational execution

In April 2007, the Mitsubishi Rayon Group discontinued its previous operational divisions and flattened its operating system, with all divisions reporting directly to the President.

2 System for carrying out adequate monitoring and supervision

The Mitsubishi Rayon Group has established internal control and risk management systems.

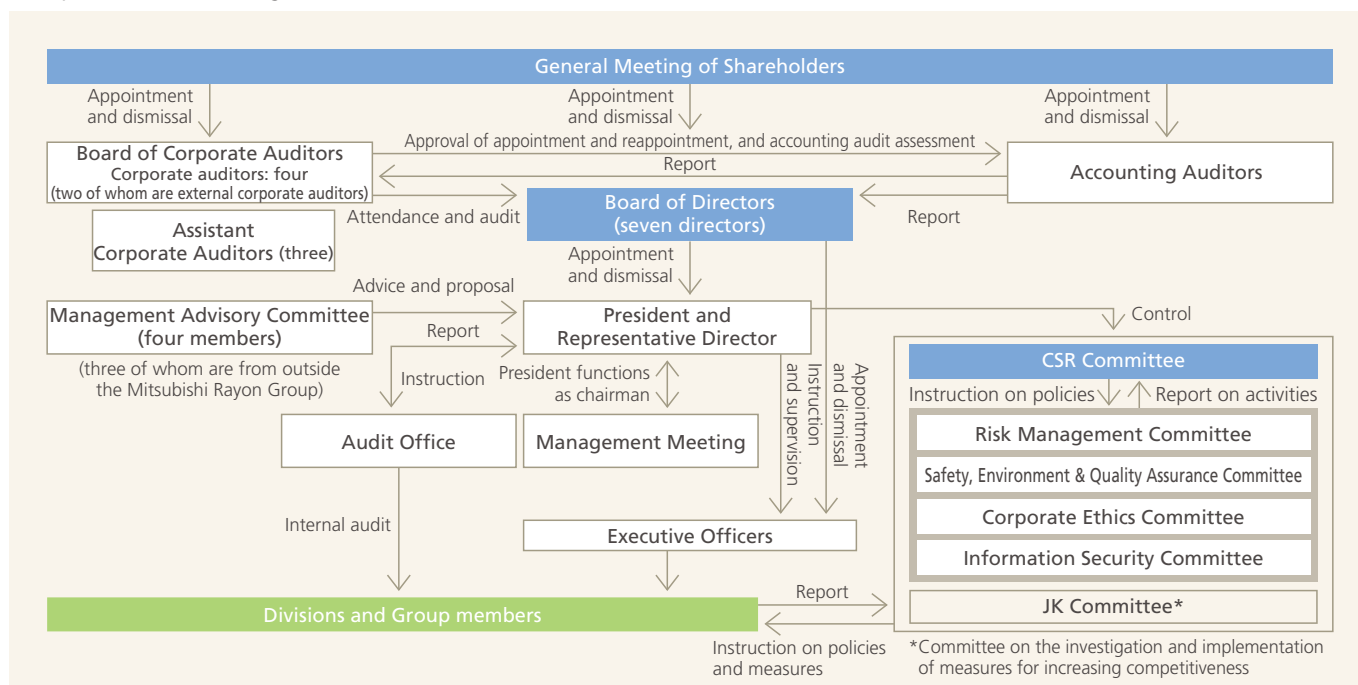
Audit System

The Mitsubishi Rayon Group has established the Audit Office to administer internal audits under the direct control of the President, in addition to a system of audit by corporate auditors and accounting auditors. The corporate auditors, accounting auditors and Audit Office are enhancing their collaboration in order to improve operating standards.

Internal Controls

The Mitsubishi Rayon Group is developing an internal controls system in line with its Basic Policy on Internal Controls. In fiscal 2008, Mitsubishi Rayon reinforced its risk management system so as to establish an internal control system that will ensure the reliability of the Company’s financial reporting.

■ Corporate Governance Organization (as of June 27, 2009)



•Board of Directors (32 meetings held in fiscal 2008)

The Board of Directors makes decisions on key issues relating to the management of the Mitsubishi Rayon Group, and supervises the directors’ effectiveness.

•Board of Corporate Auditors (17 meetings held in fiscal 2008)

The Board of Corporate Auditors discusses key issues relating to audits it has performed, based on reports provided by the corporate auditors. Under the existing system, the corporate auditors monitor the directors’ effectiveness by attending Board of Directors meetings and receiving reports on operations from directors and division managers.

•Management Meeting (held once per week in principle)

Chaired by the President, the Management Meeting discusses key operational issues relating to the Mitsubishi Rayon Group, and aims to accelerate decision-making and streamline operations.

•Management Advisory Committee (held three times per year in principle)

The Management Advisory Committee aims to secure transparency and fairness in the management of the Mitsubishi Rayon Group. The Management Advisory Committee makes proposals and offers advice to the President from an unbiased, external perspective regarding the course of medium- to long-term management, resignation of the President, appointment of the successor and compensations. The President takes the opinions of the Committee into account when making decisions.