

(Attachment 2)

The following deficiencies were found in the operation of the firm, including the reviewing mechanism and education program, as well as the internal control system.

- (1) The reviewing mechanism was excessively dependent on the review by Review Partners. Other reviewing mechanisms, such as checking by the Examination Committees, Internal Reviews, and monitoring, were not functioning effectively.
- (2) Standards, manuals and other materials, on which Review Partners should base their judgment, were not appropriately developed by the firm. Accordingly, review works by Review Partners were not functioning effectively.
- (3) No systematic verification procedure was installed to handle whistleblower information regarding questionable accounting on auditing matters.