

Nomination and Dismissal Policy of Officers

We have established a discretionary Nomination and Compensation Committee to strengthen the independence, objectivity and accountability of the functions of the Board of Directors concerning the nomination, dismissal, and compensation of officers. The Nomination and Compensation Committee consists of all Independent Outside Directors and President and Representative Director. The Board of Directors enacts the nomination and dismissal policy of officers upon deliberations by the Nomination and Compensation Committee. The nomination and dismissal policy is below.

1. Nomination Policy of Candidates for Directors Who Are Not Audit and Supervisory Committee Members
 - (1) With regard to candidates for Internal Directors Who Are Not Audit and Supervisory Committee Members, following the deliberations at the Nomination and Compensation Committee, the Board of Directors shall nominate the candidates who satisfy the following particulars in principle.
 - Individuals with knowledge and experience to carry out business management in appropriate, fair and efficient manner.
 - Individuals who have sufficient social credibility.
 - (2) With regard to candidates for Outside Directors Who Are Not Audit and Supervisory Committee Members, following the deliberations at the Nomination and Compensation Committee, the Board of Directors shall nominate the candidates who satisfy the following particulars in principle.
 - Individuals with high level of expertise and rich experience in the fields defined in the Skills Matrix listed the knowledge, experience, and abilities of each Director, and have made adequate accomplishments in those fields.
 - Individuals capable of providing advice on management policies and management improvement from the perspective of promoting sustainable growth of the Company and enhancing corporate value for the mid- to long-term.
 - With regard to “Independent Outside Directors,” individuals without any risk of conflict of interest with general shareholders. In this case, the existence of the risk of conflict of interest with general shareholders shall be judged in accordance with “3. Independence Criteria for Independent Outside Officers” and the independence criteria of the Tokyo Stock Exchange.
2. Nomination Policy of Candidates for Directors Who Are Audit and Supervisory Committee Members, following the deliberations at the Nomination and Compensation Committee, the Board of Directors shall nominate candidates who fulfill the following particulars in principle upon obtaining the consent of the Audit and Supervisory Committee.
 - Individuals who can objectively, appropriately, fairly and efficiently audit and supervise the execution of duties by Directors based on a high level of expertise and rich experience in the fields defined in the Skills Matrix listed the knowledge, experience, and abilities of each Director.
 - Individuals who have sufficient social credibility.
 - With regard to “Independent Outside Directors,” individuals without any risk of conflict of interest with general shareholders. In this case, the existence of the risk of conflict of interest with general shareholders shall be judged in accordance with “3. Independence Criteria for Independent Outside Officers” and the independence criteria of the Tokyo Stock Exchange.

3. Independence Criteria for Independent Outside Officers

The Company deems that any Outside Directors or candidates for Outside Directors that fall under any of the following items do not possess independence from the Company as Independent Outside Directors.

- (1) Persons executing business in the Company or subsidiaries of the Company;
- (2) Persons whose major business partners is the Company (an entity for which the amount of annual transactions with the Company in the most recent fiscal year is 2% or more of its consolidated sales) or execute business at said company;
- (3) Major business partner of the Company (a business partner for which the amount of annual transactions with the Company in the most recent fiscal year is 2% or more of the sales of the Company) or executes business at said company;
- (4) Persons executing business in a company where persons executing in the Company serve as officer;
- (5) Major shareholders of the Company holding either directly or indirectly 10% or more of total number of the voting rights of the Company or persons who execute business at said company;
- (6) Persons providing professional services such as consultants or professionals in accounting or law who receive from the Company a large amount of money (an amount of 10 million yen or more for individuals or an amount that is 2% or more of total income for corporations, associations and other groups in the most recent fiscal year) or other property other than officer compensation;
- (7) Persons who have fallen under (1) above during any period in the past ten years;
- (8) Persons who have fallen under any of (2) to (7) above during any period in the past three years; or
- (9) Close relatives of persons who fall under any of (1) to (8) above (excluding those deemed not important).

4. Dismissal Criteria for Directors

If there is a fact concerning a Director that may meet the Dismissal Criteria given below, following the deliberations at the Nomination and Compensation Committee, the Board of Directors shall decide to propose a dismissal of the subject Director for approval at the General Meeting of Shareholders upon obtaining the consent of the Audit and Supervisory Committee if the subject Director is an Audit and Supervisory Committee Member.

(Dismissal Criteria)

- (1) If a Director acts against public policy;
- (2) If a Director cannot continue to perform the Director's duties for health reasons;
- (3) If a Director is neglecting its duties and deemed to be failing to fulfill its duties.