

Nomination Criteria for Candidates for Directors

(Objective)

Article 1 The criteria shall set out the standards for nominating candidates for the position of director at the Nomination Committee.

(Size and Composition of Candidates for the Position of Director)

Article 2 The Nomination Committee shall nominate a variety of candidates for the position of director who are different from one another in aspects such as expertise and experience while considering the optimal balance of the Board as a whole.

2. The number of candidates for the position of director shall be optimal but limited to 20 or less as stated in the Articles of Incorporation, with a majority the candidates for the post of director being external candidates who have independence in principle.

(Grounds for Disqualification)

Article 3 The Nomination Committee shall not nominate any person who falls under the following conditions as a candidate for the position of director.

- (1) Any person who falls under the categories for disqualification provided for by Article 331, Paragraph 1 in the Companies Act.
- (2) Any person who has been adjudicated as bankrupt and whose rights have not been restored or who is treated in the same manner under laws and regulations in foreign countries.
- (3) Any person who has been found to have relationships with anti-social forces.

(Criteria for Nomination of Candidate for the Position of Inside Director)

Article 4 The Nomination Committee shall nominate persons who satisfy the following conditions as candidates for the position of inside director in the Company.

- (1) Those with expertise in the business of the Company.
- (2) Those who excel in making management judgments and executing management responsibilities.
- (3) Those with excellent leadership, decisiveness, foresight, and planning ability.
- (4) Those with appropriate personalities and insights as a director.
- (5) Those with no health problems in performing duties as an inside director.

(Criteria for Nomination of Candidate for the Position of External Director)

Article 5 The Nomination Committee shall nominate persons who satisfy the following conditions as candidates for the position of external director in the Company.

- (1) Those with specialized knowledge of and considerable proven track records in professional fields (corporate management, legal affairs, financial affairs/ accounting, human resources/labor management, information technology etc.) necessary to exercise the management supervision function.
- (2) Those with appropriate personalities and insights as director.
- (3) Those with no health or business problems in performing duties as external director.

(Revision and abolition)

Article 6 Revision to and abolition of the criteria shall be resolved by the Nomination Committee.