

UNOFFICIAL TRANSLATION

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

Compensation Policies for Individual Directors and Executive Officers

1. Compensation system

- (1) If a person serves concurrently as a Director and an Executive Officer, such person shall receive compensation as an Executive Officer.
- (2) Directors of the Company shall receive a fixed monetary compensation commensurate with their positions based on the scope and scale of their responsibilities for management, etc.
- (3) Executive Officers of the Company shall receive a basic compensation (fixed monetary compensation) on the basis of their responsibilities, bonuses as a short-term incentive, and stock compensation (non-performance-linked and performance-linked) as a medium- to long-term incentive, under a system that offers sound incentives for contributing to the achievement of performance targets and the sustainable growth of the Company.

2. Compensation for Directors

Compensation for Directors shall comprise a fixed monetary compensation of a certain level commensurate with their positions based on the primary role of supervision of management, and such level shall be an appropriate level that gives consideration to the extent of their duties as Directors, their roles in each committee, and the current state of the Company.

3. Compensation for Executive Officers

Compensation for Executive Officers shall comprise a basic compensation (fixed monetary compensation) of a certain level commensurate with their duties in light of the differences in responsibilities depending on position, stock compensation (non-performance-linked), and bonuses and stock compensation that reflects the degree of achievement of management plans and others.

The level of a basic compensation shall be an appropriate level that gives consideration to the extent of duties of Executive Officers and the current state of the Company. However, should the compensation commensurate with the position of an Executive Officer who is in charge of a field that requires special business knowledge and skills fall significantly below the general level of compensation of an officer who is in charge of a similar field at another company, such Executive Officer shall receive a basic compensation based on the level of compensation of other companies, instead of compensation commensurate with his or her duties in the Company.

Bonuses are paid to Executive Officers on a yearly basis in an amount calculated by multiplying a standard amount commensurate with their duties by a coefficient based on individual evaluation and a payment rate that fluctuates according to factors such as the degree of achievement of management plans, so that they will function as a sound incentive to contribute to steadily achieving the performance targets for each fiscal year.

In terms of stock compensation, Executive Officers shall be granted a fixed number of points each year, commensurate with their duties, and a number of points calculated by multiplying basis points commensurate with their duties by a payment rate that fluctuates according to factors such as the degree of achievement of management plans after the end of the final year of the medium-term management plan. At the time of retirement, Executive Officers shall receive stock corresponding to the number of accumulated points and cash attainable through conversion of a

certain portion of shares of the Company. In this way, stock compensation functions as a sound incentive to contribute to the enhancement of corporate value and sustainable growth over the medium and long term.

In cases where a seconded national public officer is appointed Executive Officer, such Executive Officer at the time of retirement may receive retirement benefits, which have been calculated by applying mutatis mutandis the Retirement Allowance Regulations of Employees, upon aggregating the number of years served as national public officers (excluding cases where the Executive Officer continues to serve as national public officer after retirement).

4. Other

If a person serves concurrently as a Director or an Executive Officer of the Company as well as a director, auditor or an executive officer of a Group company, such person shall receive compensation from the entity where the person executes primary business.