**PROPOSALS**  |  **ADVICE**
---|---
1.1 Elect Kimata Masatoshi  | For  
President, Representative Director. It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. As there are three or more outside directors, it is considered that there is adequate outside presence on the Board. Triodos supports this resolution.
1.2 Elect Kubo Toshihiro  | For  
Executive Director. Representative Director.
1.3 Elect Kimura Shigeru  | For  
Executive Director.
1.4 Elect Ogawa Kenshirou  | For  
Executive Director.
1.5 Elect Kitao Yuuichi  | For  
Executive Director.
1.6 Elect Yoshikawa Masato  | For  
Executive Director.
1.7 Elect Sasaki Shinji  | For  
Newly nominated Executive Director.
1.8 Elect Matsuda Yuzuru  | For  
Independent Non-Executive Outside Director.
1.9 Elect Ina Kouichi  | For  
Independent Non-Executive Outside Director.
1.10 Elect Shintaku Yuutarou  | For  
Newly nominated Independent Non-Executive Outside Director.
2.1 Elect Fukuyama Toshikazu  | Oppose  
Inside Corporate Auditor. Not considered to be independent. Triodos opposes this resolution.
2.2 Elect Hiyama Yasuhiko  | Oppose  
Newly Inside Corporate Auditor. Not considered to be independent. Triodos opposes this resolution.
2.3 Elect Fujiwara Masaki  | For  
Independent Outside Corporate Auditor. Triodos supports this resolution.
3 Reviewing Aggregate Remuneration Amount of Directors/Corporate Auditors  | For  
It is proposed to approve the aggregate remuneration of directors, pursuant to the provisions of the Companies Act and the Ordinance for Enforcement of the Companies Act. The increase has been justified and it is within recommended limits. Also, performance-related pay is restricted to executives. Triodos supports this resolution.
Payment of Bonus to Directors/Corporate Auditors

The company proposes the payment of bonuses to directors and corporate auditors. Although shareholders are given an opportunity to vote at the Annual Meeting on whether bonus would be paid, the level of individual payment is unclear and is decided entirely by the board. However, the company does disclose that only internal directors will be able to benefit from this awards scheme and aggregate amount payable is disclosed. Triodos supports this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2.1 - Elect Fukuyama Toshikazu

The traditional governance structure for Japanese companies (Kansayaku) involves the appointment of corporate auditors. Large Japanese companies are required to form a board of corporate auditors with powers to examine board activities and oversee financial reports. Such companies are required by law to appoint at least three statutory auditors to the corporate audit board. At least half the corporate auditors must qualify as ‘outsiders’. Beyond this legal minimum, it is considered to be best practice that boards of corporate auditors should be composed wholly of outsiders. New appointments are therefore considered in the context of their effect on the balance of independence. Note: It is considered that the corporate auditor board will be 60% independent following the Annual Meeting.