The board proposes to alter the board structure to change from a "Statutory Corporate Auditor" structured company (Kansayaku-setchi-gaisha) to a three-committee structure (Shimei-iinkai-tou-Setchi Gaisha), with committees responsible for audit, nomination and remuneration/or to an Audit and Supervisory Committee structured company (Kansa-tou-iinkaci-Setchi Gaisha), - a development that is welcomed. Under this model, and in line with the Japanese Commercial Code, each of the board committees should consist of a majority of independent directors. There is sufficient independent representation on the board.

2.1 Elect Nagamori Shigenobu
Non-Executive Chair, not considered to be independent. There is sufficient independent representation on the Board (at least one-third of the whole Board).

2.2 Elect Seki Jun
President. It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. However, as there are three or more outside directors, it is considered that there is adequate outside non-executive presence on the board, and therefore support is recommended.

2.3 Elect Satou Teiichi
Independent Non-Executive Outside Director.

2.4 Elect Shimizu Osamu
Independent Non-Executive Outside Director.

3.1 Appoint a Director as Supervisory Committee Member: Murakami Kazuya
Executive candidate to Member of the Audit & Supervisory Committee (MASC). It is considered that the Committee should consist exclusively of independent directors. Opposition is recommended.

3.2 Appoint a Director as Supervisory Committee Member: Ochiai Hiroyuki
Executive candidate to Member of the Audit & Supervisory Committee (MASC). It is considered that the Committee should consist exclusively of independent directors. Opposition is recommended.

3.3 Appoint a Director as Supervisory Committee Member: Nakane Takeshi
Independent Non-Executive candidate as Member of the Audit & Supervisory Committee.

3.4 Appoint a Director as Supervisory Committee Member: Yamada Aya
Independent Non-Executive as Reserve Member of the Audit & Supervisory Committee.

3.5 Appoint a Director as Supervisory Committee Member: Sakai Takako
Independent Non-Executive as Reserve Member of the Audit & Supervisory Committee.

4 Elect Alternate Director and Audit Committee Member Watanabe, Junko
Independent Non-Executive as Reserve Member of the Audit & Supervisory Committee.

5 Approve Compensation Ceiling for Directors Who Are Not Audit Committee Members
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. Support is therefore recommended.
6 Approve Compensation Ceiling for Directors Who Are Audit Committee Members
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. Support is therefore recommended.

7 Approve Trust-Type Equity Compensation Plan
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. Support is therefore recommended.
Information is believed to be correct but cannot be guaranteed. Opinions and recommendations constitute our judgement as of this date and are subject to change without notice. The document is not intended as an offer, solicitation or advice to buy or sell securities. Clients of Pensions & Investment Research Consultants Ltd may have a position or engage in transaction in any of the securities mentioned.

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