

Issues for Resolution and Scope of Delegation by the Board of Directors

[Supplementary Principle 4.1.1]

The board should clearly specify its own decisions as well as both the scope and content of the matters delegated to the management, and disclose a brief summary thereof.

The Board of Directors makes decisions on important items such as those prescribed by law, the articles of incorporation, “Board of Directors Regulations,” “Standards for Board of Directors Meeting Agenda Items.”

To augment maneuverability and flexibility in the execution of operations and maximize management dynamism, the Board of Directors delegates directors to handle decision-making on the execution of operations other than those defined by law, the articles of incorporation, “Board of Directors Regulations.”

(Corporate Governance Guidelines Article 16.2, 3)

<Summary of the Scope of Delegation to Directors>

Among issues related to the execution of operations, the following are delegated to Directors, taking into consideration comprehensively of their purpose and scale (the ratio to the total assets or profit of the Company, etc.) and others.

(Issues related to the execution of operations)

- Disposal, receipt, or capital investment of assets less than the standard amount
- Capital contributions, loans, exemption of debts, or guarantee of less than the standard amount for other companies
- Donations of less than the standard amount
- Investment in property development of less than the standard amount