

Views on the Number of Outside Directors

[Principle 4.8 Effective Use of Independent Directors]

Independent outside directors should fulfil their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the medium- to long-term. Companies listed on the Tokyo Stock Exchange Prime Market should therefore appoint at least one third independent outside directors (or two independent outside directors for companies listed on other market) that sufficiently possess such qualities.

Notwithstanding the above, if a Prime Market listed company believes it needs to appoint independent outside directors as the majority of its directors based on broad consideration of factors such as industry, company size, business characteristics, organizational structure and circumstances surrounding the company (in other markets, listed companies that consider it necessary to appoint at least one-third of directors as independent outside directors), then it should appoint a sufficient number of independent outside directors.

<Rationale Concerning the Number of Independent Outside Directors>

The Company presently has appointed 5 independent outside Directors. Together with 8 directors, the Board of Directors is comprised of 13 members.

Although there is no specific level considered as necessary for the future, to ensure vibrant opinions can be heard at the Board of Directors, in principle, one-third or more of the members of the Board are outside Directors who are independent and neutral.

(Corporate Governance Guidelines Article 13.7)