

Procedures for Related Party Transactions

[Principle 1.7 Related Party Transactions]

When a company engages in transactions with its directors or major shareholders (i.e., related party transactions), in order to ensure that such transactions do not harm the interests of the company or the common interests of its shareholders and prevent any concerns with respect to such harm, the board should establish appropriate procedures beforehand in proportion to the importance and characteristics of the transaction. In addition to their use by the board in approving and monitoring such transactions, these procedures should be disclosed.

<Voluntary Transaction Guidelines>

To protect the interests of shareholders, the Company has formulated standards and discloses the general outline of Voluntary Transaction Guidelines, etc. to prevent transactions that harm the Company or shareholder interests through the abuse of positions by Directors, Audit & Supervisory Board Members and other related parties to the Company, as well as major shareholders.

(Corporate Governance Guidelines Article 11.1)

<Outline of Voluntary Transaction Guidelines>

When concluding contracts for work or sale in transactions with Directors, etc., the Company requires the secretariat for the Board of Directors to submit the summary of the contract, the cost ratio, details of privileges to receive from the Company, etc., and discuss at the Board of Directors meetings by comparing them with general transactions and so on. Moreover, after the execution of transactions, the Company requires the ex-post reporting at the Board of Directors' meeting in order to check whether there is any difference from the contents of discussions in advance at the Board of Directors' meeting.