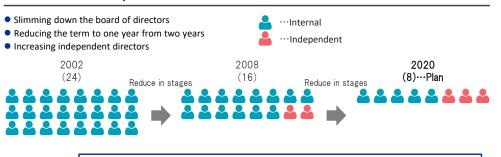


Revised Decision-Making Process

- Preparation for opportunistic decision-making process: Established Management Council (April 2020)
- . Ensuring transparency in the decision-making process: Expanded reporting to Management Council and board of directors
- Clarify executive responsibilities: *Change naming conventions (management member → executive director)(after approval
 at June 2020 general meeting of shareholders)Change position/prominence of Executive Director Council

Initiatives to Improve Effectiveness of the Board

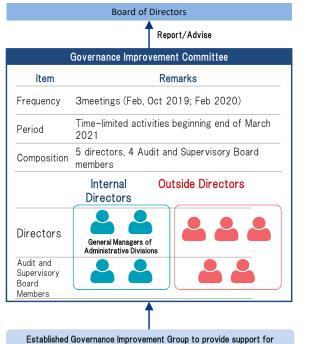


Added one independent outside director Ratio of independent outside directors.

- ✓ Ratio of independent outside directors...42.9%(6/14)
- ✓ Ratio of female directors...14.3%(2/14)

Initiatives for Stronger Governance

Establish a practicable operating structure and execute action plans for stronger governance; raise awareness at all levels, including the front lines



Governance Improvement Action Plans

Created action plans for practicable operations, now implementing in earnest

1 Improve board of director effectiveness

- Improve methods for sharing information with outside directors
- Hold social gatherings for directors

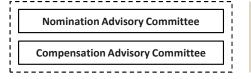
Strengthen structure for supporting and enacting business decisions of the president

- Strengthen business planning functions
- · Adopt an opportunistic and transparent decision-making process

3 Strengthen Group Governance

- Strengthen operations of internal controls functions
- Clarify roles and supervisory responsibilities for lines of (First: Operating departments/Second: Management departments) to prevent or quickly uncover fraud
- Strengthen internal controls functions
- Revise audit scope/targets and utilize IT to strengthen internal controls as a third line of defense
- Global group rollout
- Coordinate communications across four global axes

Nomination-Compensation Advisory Committee Performance-Based Remuneration Plan



committee operations as a permanent secretariat

Committees Members

Chairman : Chairman Members : President Independent directors (3)

··· Independent directors have majority

Introduction of Performance-Based Stock Remuneration Plan

• Plan with transparency and objectivity introduced in 2016 for directors and corporate officers Aim: To motivate directors as well as share same interests with shareholders

alli . To motivate un'ectors as wen as share same interests with shareholders

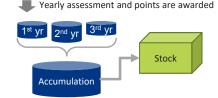
Structure: Stocks to be delivered after a certain period based on achieving business performance goals

Med-term Management Plan

Original Business Plan

Previous FY Results

Evaluation Criteria





(Plan)