

## “Compensation Policies for Directors and Executive Officers by Individual”

### 1. Compensation System

- (1) If a person serves concurrently as a Director and an Executive Officer, such person shall receive compensation as an Executive Officer.
- (2) Directors of the Company shall receive a fixed monetary compensation commensurate with their positions based on the scope and scale of their responsibilities for management, etc.
- (3) Executive Officers of the Company shall receive a basic compensation (fixed monetary compensation) commensurate with their duties, a bonus as a short-term incentive, and stock compensation (performance-linked and non-performance-linked) as a medium- to long-term incentive under a system that offers sound incentives for contributing to the achievement of performance targets and the sustainable growth of the Company.

### 2. Compensation for Directors

Compensation for Directors shall comprise a fixed monetary compensation of a certain level commensurate with their positions based on the primary role of supervision of management, and such level shall be an appropriate level that gives consideration to the extent of their duties as Directors and the current state of the Company.

### 3. Compensation for Executive Officers

Compensation for Executive Officers shall comprise a basic compensation (fixed monetary compensation) of a certain level commensurate with their duties in light of the differences in responsibilities depending on position, a performance-linked bonus and stock compensation that reflect factors such as the degree of achievement of management plans, and non-performance-linked stock compensation.

The level of a basic compensation shall be an appropriate level that gives consideration to the extent of duties of Executive Officers and the current state of the Company. However, should the compensation commensurate with the position of an Executive Officer who is in charge of a field that requires special business knowledge and skills fall significantly below the general level of compensation of an officer who is in charge of a similar field at another company, such Executive Officer shall receive a basic compensation based on the level of compensation of other companies, instead of compensation commensurate with his or her duties in the Company.

Executive Officers shall be granted a bonus in a form of cash on a yearly basis so that it functions as an incentive for achieving solid annual performance targets. The amount of bonus is calculated by adding the amount obtained by multiplying the standard amount for each position related to individual performance by the payout rate based on individual performance evaluation, and the amount obtained by multiplying the standard amount for each position related to the Company's

performance by the variable payout rate based on the degree of achievement of management plans and other factors.

In terms of stock compensation, in order for it to function as sound incentives for contributing to enhancing the medium- to long-term corporate value and the sustainable growth of the Company, Executive Officers shall be granted points based on basic points commensurate with their duties, multiplied by a variable payout rate based on factors such as the degree of achievement of management plans after the end of the last fiscal year of the Medium-Term Management Plan, along with fixed basic points commensurate with their duties granted on a yearly basis. At the time of retirement, Executive Officers shall receive stocks corresponding to the number of accumulated points and some cash attainable through conversion of shares of the Company.

#### 4. Other

If a person serves concurrently as a Director or an Executive Officer of the Company as well as a director, an auditor or an executive officer of a Group company, such person shall receive compensation from the entity where the person executes primary business.