

[Attachment A]

NSG Group Corporate Governance Guidelines

Chapter 1 General

Objective

Article 1 These NSG Group Corporate Governance Guidelines (the “Guidelines”) aims to raise the overall level of corporate governance within the NSG Group (the “Group”), with a view to continuously enhancing its corporate values in a sustainable way, on a medium-to-long term basis, by implementing the Group’s Vision, Mission, and Values and Principles, and thus increasing the common value of the Group for our various stakeholders, including our shareholders.

Our Vision

‘Making a Difference to our World
through Glass Technology’

Our Mission

‘To be the global leader in
innovative high performance glass and glazing solutions,
contributing to energy conservation and generation,
working safely and ethically.’

Our Values

People are our most important asset. We value:

- Trust and mutual respect
- Integrity and professionalism
- Teamwork and mutual support
- Open communication
- Initiative and creativity
- Passion and resilience

- Individual and social responsibility
- Sustainability

Our Stakeholders

We aim to be judged as best in class by:

- ***Our Customers*** - to be their preferred supplier for glass products and related services
- ***Our Employees*** - to be their preferred place to work
- ***Our Shareholders*** - to be their preferred long term investment
- ***Our Suppliers*** - to build strong mutually beneficial relationships based on trust, co-operation, innovation and sustainability
- ***Our Communities*** - to be a good neighbour, wherever we operate

Our Guiding Principles

We will achieve success by:

- Ensuring that all our actions add value and make our company sustainable
- Being obsessed with safety, in the belief that all accidents are preventable
- Following the highest standards of social and environmental responsibility in everything we do
- Developing the potential, motivation and commitment of every individual
- Achieving defined quality standards to satisfy all our customers
- Staying ahead by constantly developing advanced technologies, innovative products and applications
- Making decisions based on data, facts and analysis, working closely with operations, development and commercial teams
- Exploiting synergies and eliminating waste, to ensure competitiveness
- Striving for continuous improvement - in all our activities

Fundamental Principles

Article 2 Achieving an advanced level of corporate governance is a high priority for the Group's management, for which the Group will implement the following.

(1) Structure

- a) The Group's ultimate parent company, Nippon Sheet Glass Company, Limited (the "Company", "NSG" or "We") adopts the committee-based governance structure under the Companies Act of Japan (the "Companies Act") and the Company hence establishes the Board of Directors (the "Board"), Nomination Committee, Audit Committee, Compensation Committee (individually referred to as "Committee") and office of Executive Officer.
- b) It is the intention of the Board that the Executive Officers should be authorized to determine the businesses and affairs of the Company within the scope as permitted by law, thereby facilitating separation of execution from oversight, enhancing the transparency of management processes and further strengthening the oversight function over executive management.
- c) The Company will establish and maintain an effective internal control system operating on a Group-wide basis including the system in relation to financial reporting (J-SOX).

(2) Stakeholder Communication

- a) The Group will establish and maintain good relationships with its stakeholders as referred to in Article 1.
- b) The Group will disclose corporate information in a timely and appropriate manner thereby ensuring transparency of the management of the Group.

Character of the Guidelines

Article 3 The Guidelines constitute the fundamental principles of the corporate governance had by and applicable to the Group, positioned next only to the Companies Act, statutory laws/regulations and the Articles of Incorporation of the Company.

Chapter 2 Shareholders Rights

Principle of Equality among Shareholders

Article 4 We will treat our shareholders fairly and equally in accordance with the class and number of shares that they own.

General Meeting of Shareholders

Article 5 The General Meeting of Shareholders is the supreme decision-making body of the Company consisting of the shareholders entitled to vote. We ensure that the intentions and views of our shareholders will be reflected properly in the decision-making process at, and the resolutions carried by the General Meeting of Shareholders.

2. Directors and Executive Officers will, in order to fulfill their accountability to the shareholders, give a sufficient account of the matters of the Company with focus on the agenda items transacted and allocate a session for the exchange of questions and answers at the General Meeting of Shareholders.

Voting and Other Control Interests

Article 6 We aim to ensure that our shareholders are able to properly exercise their voting rights at any General Meeting of Shareholders and all other rights for common interest under the Companies Act.

2. We will create an environment in which all the shareholders, regardless of whether they are able to attend General Meeting of Shareholders in person, are provided with adequate opportunities to exercise their voting rights, including by way of securing early posting of the convocation notice of the General Meeting and our participation in the Electronic Voting Platform.

Capital Management Policy

Article 7 The Group will, with a view to aiming for sustainable growth of our shareholders' value, keep a necessary level of shareholders' equity to ensure capturing available opportunities timely and steadily for globally expanded business as well as to address and manage those risks associated with such actions.

2. The Company will, by virtue of the Articles of Incorporation of the Company, authorize the Board to resolve the distribution of available surplus hence enabling flexible and agile capital strategy of the Company to be effected.

3. It constitutes our fundamental policy that the Group should secure dividend payments based on sustainable business results and also take and implement with agility and flexibility any necessary financial measures in response to changes in the business environment surrounding us.

Prevention of Entering into Transactions which would Conflict with Shareholders' Interest

Article 8 To safeguard the interest of our shareholders, the Group aims to ensure that none

of Directors, Executive Officers and Employees or others working for or otherwise related to or interested in the Group including the Company's major shareholders should enter into any transaction or business which would conflict with the overall interests of the Group or those of shareholders by abusing their internal positions or relationships with the Group. The Group will further establish an internal system appropriate for this aim.

2. The Group ensures that none of the Directors and Executive Officers should engage in any transaction or business which would conflict with the interest of or compete against the Group, except only to the extent reviewed and approved by the Board in accordance with the Companies Act and the Board Policy of the Company. In this regard, all Directors and Executive Officers must inform the Board of all such transactions and businesses as soon as reasonably practicable.

3. The Group will also make timely and appropriate disclosure of all material facts concerning any such transaction or business referred to in the preceding section once such a transaction or business is entered into or effected.

Chapter 3 Structure of Corporate Governance

Part I Supervisory Function

Structure of the Board and its Committees

Article 9 The Group values the principle and wisdom of creating and maintaining diversity in the composition of the Board given specifically the development of and commitment to the businesses conducted globally. The Group aims to ensure that the Board will be composed of member that have a diverse background including in terms of professional skills, expertise or experience, and at the same time its size will be maintained so that the Board can discharge its function effectively and efficiently.

2. The Board of Directors comprises such number of Independent External Directors referred to in Section 13.1 as is three or greater and constitutes no less than one-third of its total membership.

3. A Chairperson of the Board shall be appointed from among the Directors by the resolution of the Board.

4. The Board may appoint a Director with special title* from among the Directors as necessary.

5. With the intent of securing clear and unambiguous separation of the supervisory function from that of the executive, the Chairperson of the Board will not concurrently serve in any

executive position such as Representative Executive Officer/President or CEO.

6. The Nomination Committee, Audit Committee and Compensation Committee will be established in accordance with the Companies Act.

7. A majority of each Committee's members will be Independent External Directors. All Committee's members are appointed by the resolution of the Board. In addition, at least one member of the Audit Committee will be elected from among those who have specialized knowledge of finance and accounting to a respectable degree.

8. The responsibility to chair and preside over each Committee should be assumed by an Independent External Director. Further, except in the case of special circumstances, the Chairperson of the Board should not concurrently serve as chairperson of any Committee.

* The "Special title" implies the status of seniority in rank as compared with those with no such title.

Role/Task of the Board

Article 10 The Board recognizes that its important mission is, among others, to develop and enhance the enterprise value of the Group in a sustainable manner on a medium-to-long term basis. To this end, the Board will formulate appropriate business strategies and establish an effective reporting system for both financial and non-financial matters whilst focusing on securing financial resources and a robust management succession plan in place for this purpose. Furthermore, the Board will prepare for a corporate environment which would enable the executive management to take a proper degree of risk associated with the business in order for the Group to create value for our shareholders. Another important duty of the Board is to oversee management's performance to ensure that the executive management can carry out their business duties in an effective, efficient and ethical manner. In order to achieve those objectives effectively, the Board is responsible for creating and maintaining a suitable corporate governance system for the Group and for implementing the following matters in line with and by adhering to the Group's Vision, Mission and Values and Principles described in Article 1:-

(1) To make decisions on the defined material matters including the adoption of a Fundamental Policy for the Group Business such as the business and financial strategy and the medium to long-term business plan and those other actions requiring the resolution of the Board as prescribed in laws and Articles of Incorporation .

(2) To authorize the Executive Officer(s) to decide on all matters other than those referred to in the preceding paragraph, enabling nimble and flexible decision-making by the executive management as well as enhancing effective and robust oversight by the

Board of Directors;

(3) To adopt the “internal system necessary to ensure the manner and substance in which Executive Officers may perform their duties adequately and in conformity with laws, statutory regulations and the Articles of incorporation” as required by the Companies Act (“The Fundamental Policy on the Internal Control System”);

(4) To oversee the performance of Directors and Executive Officers, in particular, in terms of results, the status of progress, development or operation from time to time vis-à-vis the Fundamental Policy of the Group Business and The Fundamental Policy on the Internal Control System, and to monitor the individual performance of duties in his/her role, by having regard to and based on reports and updates from the Nomination Committee, Audit Committee, Compensation Committee and Executive Officers.

2. The Board and each of the Nomination Committee, Audit Committee and Compensation Committee shall discharge its duties independently and separately whilst simultaneously ensuring close communication and mutual updates as appropriate.

3. There will be a secretarial team (“Board Secretarial Team”) whose function is to assist the Board in proceeding with its meeting process effectively and efficiently, among others, in light of the process or manner of deliberation by, or notification to the Board, and monitoring the status of progress about the actions resolved by the Board. The Board Secretarial Team and all other secretarial teams working for each Committee will maintain close contact and co-operation at all events.

Chairperson of the Board

Article 11 The Chairperson of the Board has the responsibility for running the Board in an effective and efficient manner so that the Board properly discharges its duties prescribed in Article 10.

2. The Chairperson of the Board will facilitate communications between Directors and Representative Executive Officer, President cum CEO.

3. The Chairperson of the Board procures that each and every Director should be provided with appropriate access to such information as may be necessary for him/her to discharge properly his/her duties.

4. In the case that the Chairperson of the Board is not an Independent External Director, a Lead Director will be appointed from among Independent External Directors. A Lead Director is tasked to recommend or otherwise advise the Chairperson of the Board on any issues of corporate governance.

Director

Article 12 The term of office for Director is one year. All Directors will be elected annually at the General Meeting of Shareholders.

2. Directors engage in the material decision-making and oversight of the performance of the Group business as a member of the Board.

3. All Directors must act in what they consider to be in the best interests of the Group and its shareholders, consistent always with their statutory duties.

4. Directors are expected to invest the time and effort necessary to understand the Group's business and financial strategies and challenges.

5. The Group will provide newly elected Directors with educational or training opportunities with the aid of written materials, oral presentations or face-to-face meetings with senior members of management and/or by way of others including site visits of the Group, in order for them to become familiar with and foster a better understanding of the Group and thus to enable them to perform their duties. In addition, ongoing educational opportunities will be made available for Directors throughout their tenure on the Board as necessary.

6. The primary duties of the Directors include attending meetings of the Board and Committee(s) of which each Director is a member and actively participating in discussions at the meetings. A Director will be furnished with, and also responsible for gleaning, sufficient and appropriate information in order to discharge his/her duties and should, in addition, ask for any clarification to any explanation provided by the executive management such that he/she may, on a properly- informed basis, cast their vote at any meeting of the Board and Committee(s) of which he/she is a member.

7. A Director will exercise his/her rights in a timely and appropriate manner to convene and/or propose agenda of the Board as necessary for discussion with the aim of resolving any business issues of the Group which may/has come to his/her attention.

Independent External Director

Article 13 Independent External Directors referred to in the Guidelines means only those Directors who are not only qualified as external directors prescribed by the Companies Act but also meet the criteria for independency as defined by the Stock Exchanges and Nomination Committee.

2. Independent External Directors are tasked with overseeing the Group business performance in his/her position which would not cause conflicts of interest with the Company's shareholders in general and hence are anticipated to contribute to heightening a level of transparency with regard to the process of decision-making of the Board and each Committee and consequently their performance.

3. Independent External Directors will be continually kept updated in regard to the Group business backgrounds and circumstances via the Board Secretarial Team.
4. Independent External Directors will organize and hold meetings consisting only of them as participants with no attendance of Executive Officers or internal Directors at least once per annum, in order to discuss any issue of the Group's corporate governance and business, including but not limited to, the adequacy of the decision-making process and procedures used by the Group or any area for improvement in line with the spirit of the Guidelines.
5. The maximum cumulative period of tenure as Independent External Director is in principle six years.

Nomination Committee

Article 14 The Nomination Committee will, on the basis of the principles and thoughts contained in the Guidelines including Sections 9.1 and 9.2 above, discharge its duties properly as a statutory organization of the Company to resolve on proposals for election or dismissal of Directors to be submitted to the General Meeting of Shareholders.

2. The Nomination Committee will give recommendation or advice to the Board of Directors on candidates for Executive Officers and other such senior executives of the Group as the Board of Directors needs to approve.
3. The Company will prepare such terms of reference, policies or procedures as may be necessary for the Nomination Committee to discharge its responsibilities.
4. Group HR and/or other such functions, as the Nomination Committee designates, will act as a secretary for the Committee. Furthermore, external advisers may be employed on an as-needed basis in order to enhance and maintain the level of the manner and substance in which the Nomination Committee discharges its duties.

Audit Committee

Article 15 The Audit Committee will constitute and act as a part of the supervisory function of the Board and properly discharge its duties as a statutory organization of the Company to audit the performance of Executive Officers and Directors.

2. The Audit Committee will prepare audit reports on the Business Report, Financial Statements and others as required by the laws and regulations.
3. The Audit Committee Office will be set in place as a secretary for the Audit Committee. In addition, a position charged with the responsibility to assist in the chairperson of the Audit Committee may be appointed as necessary.
4. The Audit Committee Office whose mission is to assist in implementation of the resolutions of the Audit Committee or otherwise discharge its duties pursuant to instructions from

members of the Audit Committee, will be constituted and staffed such that it will be provided with guaranteed independence from the Executive Officers in terms of reporting line and appraisal process, thereby ensuring and enhancing the objectivity of any audit and monitoring. The same will also apply to the individual(s) who may be appointed according to the foregoing Section 3 of this Article.

5. The Audit Committee will provide the Policy on Dismissal or Non-Reappointment of Accounting Auditor.

6. The Company will prepare such terms of reference, policies or procedures as may be necessary for the Audit Committee to discharge its responsibilities.

Compensation Committee

Article 16 The Compensation Committee will discharge its duties properly as a statutory organization of the Company to consider and approve the policies applicable to compensations for Directors and Executive Officers and individual compensations for those positions.

2. The Compensation Committee may give recommendation or advice to the Representative Executive Officer, President cum CEO on the policies and details with respect to compensations for the Group's senior management other than Directors and Executive Officers.

3. The Company will prepare such terms of reference, policies or procedures as may be necessary for the Compensation Committee to discharge its responsibilities.

4. Group HR and/or other such functions as the Compensation Committee designates will act as a secretary for the Committee. Furthermore, external advisers may be employed on an as-needed basis in order to enhance and maintain the level of the manner and substance in which the Compensation Committee discharges its duties.

Part II Executive Function

Structure of the Executives

Article 17 A Representative Executive Officer will be appointed from among Executive Officers by the resolution of the Board.

2. A President cum CEO will be appointed from among Representative Executive Officers by the resolution of the Board.

3. The Board may, as appropriate, appoint COO from among Executive Officers who is expected to assume direct responsibility for daily management of all operations of the Group,

and/or CFO who will do so for the Group's financial situation and performance.

4. The Board may appoint those Executive Officers with special title* from among the Executive Officers as necessary.

5. The Company will establish the Management Committee comprising the Executive Officers as its core members in order to deliberate and transact material management agenda of the Group.

6. The number of incumbent Representative Executive Officers and Executive Officers should be of such appropriate size as may enable them to effectively and efficiently carry out those matters entrusted by the Board.

* The "special title" implies the status of seniority in rank as compared with those having no such title.

Management Committee

Article 18 The Management Committee will help Executive Officer(s) in making prompt and bold business decisions effectively and efficiently while taking a proper degree of risk under the framework of the Group's basic policies and goals or their allocated duties set by the Board, as well as guiding and monitoring business operations of the Group.

2. The Company will prepare such terms of reference, policies or procedures as may be necessary for the Management Committee to discharge its responsibilities.

Representative Executive Officer

Article 19 The Representative Executive Officer, President cum CEO will assume overall and ultimate responsibility for the profitable operation and development of the Group, and will be responsible for monitoring the progress, and ensuring implementation, of the policies and targets set by the Board in order for the Group to enhance its corporate value in a sustainable manner for the medium-to-long term horizon.

2. Representative Executive Officers are normally anticipated to be appointed from among the Directors in order for them to provide sufficient reports to the Board on status of business operations of the Group, thereby enabling the Board to properly make judgments on the Fundamental Policy of the Group Business and other material items for the Group and securing mutual oversight among Directors in terms of rationality and validity of those business judgments.

3. Representative Executive Officers will provide the Audit Committee with such degree and content of information as may be sufficient and appropriate for their audit.

Executive Officer

Article 20 The term of office for Executive Officer is one year. An Executive Officer shall be elected annually by the resolution of the Board which has taken account of the recommendation or advice of the Nomination Committee.

2. Each Executive Officer respectively assumes the overall responsibility on a Group basis for the area of their duties specifically entrusted to him/her by the resolution of the Board. Furthermore, they are also responsible for the development of their successors who may be qualified to lead the Group business in the future.

3. The Group will, in order for newly appointed Executive Officers to discharge their duties, provide new Executive Officers with educational or training opportunities in terms of, among others, the Group's business plans and their status of progress, material management agenda, internal control system, financial statements, significant financial, accounting and legal issues, code of ethics and ethics and compliance program with the aid of written materials, oral presentations and/or other appropriate means.

4. An Executive Officer may be allowed to sit as external director of another company outside the Group in a manner consistent with the guidelines and decisions made by the Board, insofar as the external position is limited, as a matter of principle, to one company. The Company is of the view that such external position can be valuable in terms of their personal and professional development in some cases.

Part III Internal Control System

Internal Control System

Article 21 Executive Officers will, on the basis of The Fundamental Policy on the Internal Control System approved by the Board, create, maintain and operate the internal control structure of and throughout the Group addressing the matters including in terms of sustainability, ethics and compliance, risk management and reporting of concerns hotline. In addition the Executive Officers will assess the internal control structure's effectiveness and continuously seek to improve the control structure.

2. The Board and Audit Committee may, on an as-required basis, be respectively brought up to speed directly by those Group functions regarding internal controls such as sustainability, internal audit, legal and ethics and compliance.

3. The Audit Committee will audit the manner in which Executive Officers and Directors have performed their duties, by monitoring, from its independent and objective standpoint, the status and/or progress of establishment, maintenance and implementation of such internal

control structure as mentioned in section 1 of this Article, thereby securing adequate internal controls of the Group effectively in place and operation.

Chapter 4 Performance Evaluation

Performance Evaluation

Article 22 The Board and each of the Nomination Committee, Audit Committee and Compensation Committee and Management Committee will conduct an annual evaluation of its own performance as a matter of principle. Summary of the result thereon will be publicly disclosed on an annual basis. These evaluations are intended to facilitate an examination and discussion by the Board and each Committee and Management Committee of its effectiveness in conformity with the Group's business strategies or targets.

Chapter 5 Miscellaneous

Exceptional Actions

Article 23 The Board should account for the rationale for the benefit of the Company's shareholders if any action inconsistent with the provisions or principles of the Guidelines is or is proposed to be taken by the Company.

Periodic Review and Amendments

Article 24 These Guidelines will be reviewed periodically by the Board and amended as necessary by the resolution of the Board.

End

Effective from 28 May 2015

[Attachment B]

[Reference: no.1]

NSG Group Policy on Constructive Dialogue with Shareholders

Principle

The NSG Group (The Group) values open, constructive and effective communication with our shareholders and investors. The Group aims to engage effectively with shareholders and investors by making the most of a number of avenues and opportunities available to us including through regular communications, investor relation activities and the General Meeting of Shareholders, whilst simultaneously ensuring adherence to any applicable laws and regulations and our Group Policy/Procedure for the Prevention of Insider Trading.

Communications on and Commitment to Business Strategy

The Board establishes a clear long-term strategic vision and medium-term plan for the Group (collectively referred to as "strategic vision and plan"), and commits to delivering the strategic vision and plan on behalf of the Group. As such the Board assumes the ultimate responsibility and accountability for effectively delivering the strategic vision and plan.

The Board, regularly and from time to time as appropriate, reviews the development and progress of the strategic vision and plan. If the Board has determined that the strategic vision and/or plan is no longer valid or is otherwise unable to be delivered, the Group will provide the our shareholders with an account of the cause behind the decision as well as the actions being taken by the Group to rectify the situation. The Board will use the findings and/or lessons learnt from such a situation for the amendment of the Group's current strategic vision and/or plan or the establishment of a new strategic vision and plan.

The Group will report on the progress of the strategic vision and plan through channels as appropriate for shareholders to effectively assess our position and performance.

Regular Reporting

The Group announces its financial results on a quarterly basis in the form of *Kessan-tanshin* and *Shihanki-houkokusyo* and issues an annual Securities Report (*Yukashouken-houkokusyo* or *Yu-Ho*) and Annual Report. We also publish an annual Sustainability Report which covers environmental, social and governance performance. In addition, our shareholders receive

twice a year a summary document, "To Our Shareholders" which highlights The Group's updates and the half-year/full-year results. Shareholders who are entitled to exercise their voting rights at the General Meeting of Shareholders receive a convocation notice of the General Meeting of Shareholders.

The Group ensures that all of these documents are available on our website at www.nsg.com.

Activities on Investor/Shareholder Relations

Overall, the CEO takes a leadership role in maintaining and enhancing investor/shareholder relations, with the active involvement of other executive management of the Group as required such as the COO and/or CFO.

1) Strategy, Results and business

The CEO and other executive officers will perform their missions in this respect with the full support of the Group's Corporate Communications department which organizes and facilitates presentations for, among others, the long-term strategic vision and medium-term plan formulated by the Group and their progress from time to time, the Group's annual results and any other material matters for analysts and institutional investors in liaison with our Finance team. Such presentations are generally made available on our website at www.nsg.com and briefings on quarterly results are also given via teleconference for analysts and institutional investors. In addition, a plant tour will be arranged for analysts as appropriate.

We proactively take advantage of any opportunities where we can get in touch and interact with a wide range of international investors, such as at investor conferences and meetings arranged by external organizations including securities brokers.

The Board members are briefed on any material reactions to the announced quarterly results of the Group from the investor community. The Board is also kept updated as to any significant developments in investor/shareholder relations, including any issues or points raised by shareholders and investors that may be relevant to their responsibilities.

Our Corporate Communications department, with its office in Tokyo, acts as a focal point for communications on strategy, results and business with shareholders and investors.

2) Corporate Governance and Sustainability

Our Legal and Company Secretarial team acts as a focal point for communications on corporate governance matters.

The Sustainability Committee co-ordinates strategy, policy development and reporting specifically in respect of Sustainability matters with the aid of our Sustainability team.

General Meeting of Shareholders (“GM”)

The Ordinary General Meeting of Shareholders is held annually in June and an Extraordinary Meeting is held as necessary. The CEO usually takes the role and responsibility as chair thereof, being supported by our Legal and Company Secretarial department which is tasked with organizing the GM in liaison with other relevant teams. We believe that the GM should present a unique and useful opportunity to enable the Directors and Executive Officers to directly engage with our shareholders and the shareholders are invited to ask questions and raise issues directly with the Directors and Executive Officers at the GM where they are available to receive direct feedback from public shareholders.

In addition, all shareholders and investors are also free to contact the Company directly via telephone, +81-3-5443-9500, or through our corporate website at <http://www.nsg.com/en/contact-us>.

[Reference: no.2]

General Criteria to Select Candidates for Director

The Nomination Committee recommends to the Ordinary General Meeting of Shareholders candidates for the Board of Directors from among those who meet the following criteria:

1. Being a person of good character and high ethical standards.
2. Upholding and promoting compliance with laws and regulations.
3. Being fit to hold office and able to fulfil the duties required.
4. Possessing excellent business acumen and the ability to make judgements objectively.
5. Having abundant leadership experience and being team orientated.

6. Having no personal interest or business relationship that might affect management decisions in our Group's business areas. ("Criteria of Independency for an External Director" is defined separately at:
http://www.nsg.com/~media/NSG/Site%20Content/sustainability/Downloads%20attached%20to%20pages%20in%20sustainability%20section/CriteriaOfIndependency_E01.ashx)
7. Having broad business experience globally or multi-nationally and/or such specialized knowledge in market, technology, accounting, law, succession planning or other specific fields as required by the Group.
8. Having sufficient time to participate in meetings of the Board and the Committees of which he/she would be a member, and being qualified to fulfil the duties as a member of one of any three committees on which he/she would sit: Nomination Committee, Audit Committee or Compensation Committee.

[Reference: no.3]

Policy and Procedure on Appointment of Executive Management

Each Executive Officer (EO or *Shikkou-Yaku*) and Corporate Officer (CO or *Shikkou-Yakuin*) (collectively referred to as "Executive Management") is appointed by resolution of the Board, as well as being assigned the specific executive or senior positions and responsibilities within the Group such as CEO, COO, CFO and head of business/function which will usually be associated with either the title of EO or CO accordingly. The Nomination Committee provides recommendation and/or advice to the Board on such appointments and/or assignments on the basis of its expertise.

Prior to the appointment and/or assignment of each candidate, a comprehensive review of the candidate's proven performance to date, potential caliber as a leader, and commitment to the Group's future direction, Values & Principles and Competencies is completed.

The term of office of Executive Officers and Corporate Officers is one year. Election or re-election of all Executive Officers and Corporate Officers shall be reviewed annually. As regards the other senior management, individual performance reviews will also be carried out annually within the appraisal process.

The Group, as a global company, recognizes that we face retention risks with management talent. The Group aims to minimize such risks through the annual review of succession plans implementing talent development activities in a planned manner and offering challenging career development opportunities.

End