

**[Principle 3.1 Full Disclosure]**

**(iv) Policies and procedures for the appointment of the senior managers and nomination of the director candidates**

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](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.

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.

**(v) Explanations with respect to the individual appointments and nominations based on the above (iv)**

**Mr. Günter Zorn, Independent External Director**

Günter Zorn became Independent External Director of NSG in June 2014 and became a chairman of the Compensation Committee from June 2015 to June 2016. He has the career and experiences of serving as management of the major international companies and Representative Director and President of their Japanese entities. In addition, he is the Representative Director and President of his own consulting firm. It is expected that he will continue to contribute to the supervisory function of the Board from an independent and objective standpoint as well as based upon his abundant international experiences and broad knowledge with regard to business management.

**Mr. Shigeki Mori, Director, Representative Executive Officer, President and CEO**

After having worked in the functions of human resources and corporate planning in the Group, Shigeki Mori held a succession of such important posts as the president of certain subsidiaries in the Architectural Glass business and the Head of the Technical Glass Strategic Business Unit. For two years from July 2010 he was based in the UK as the Head of Production, Fabrication and Marketing, UK and South Europe, Architectural Glass. Based

upon such career and experiences he was appointed Representative Executive Officer, President and CEO in April 2015 and since then, has taken leadership in the whole Group business. It is expected that his knowledge and experience of the Group business will be shared with the Board having him as its member, which we believe contributes to the decision-making function of the Board.

**Mr. Clemens Miller, Director, Representative Executive Officer, Executive Vice President and COO**

After having engaged in work of production, business planning and marketing in the Group's Architectural Glass business, Clemens Miller held a succession of such important posts as the Head of the Architectural Glass and Technical Glass Strategic Business Units and so forth. He was appointed Director, Executive Officer of the Group in June 2011 and since April 2012 he has taken leadership in the Group business as the Director, Representative Executive Officer, Executive Vice President and COO. It is expected that he will continue to contribute to the decision-making function of the Board by making best use of his abundant experiences and knowledge with regard to the Group's business, operation and management.

**Mr. Kenichi Morooka, Director, Executive Vice President**

Kenichi Morooka joined The Sumitomo Bank, Limited (Currently Sumitomo Mitsui Banking Corporation) and held a number of important posts thereat. He joined NSG in December 2006 and engaged in work of business planning, accounting, finance and business administration in Japan and the UK. He became Director, Executive Officer, Executive Vice President in June 2013 and since September 2013, has taken leadership in the area of the Group's business planning, human resources, finance in Japan and external communications. Since April 2016 he has taken leadership in the Group business as the Director, Representative Executive Officer, Executive Vice President and CFO. It is expected that he will continue to contribute to the decision-making function of the Board by making best use of his abundant experiences and knowledge with regard to the Group's accounting, finance, human resources, business and management.

**Mr. Toshikuni Yamazaki, Independent External Director**

Toshikuni Yamazaki became Independent External Director of NSG and a chairman of the

Audit Committee in June 2015. He has the career and experiences of serving as Representative Director, Executive Vice President (in charge of finance, investor relations and accounting) and full-time corporate auditor of the major international manufacturing company, and a member of the Investment Committee of the Government Pension Investment Fund, Japan (GPIF). It is expected that he will contribute to the supervisory function of the Board from an independent and objective standpoint as well as based upon his abundant experiences and broad knowledge with regard to business management and finance and accounting.

**Mr. Yasuyuki Kimoto, Independent External Director**

Yasuyuki Kimoto became Independent External Director of NSG and a chairman of the Compensation Committee in June 2016. He has the career and experiences of serving as chairman of the Board of the major international manufacturing company, a majority of whose Board consisted of Independent External Directors, as well as leading the Board, involving several non-Japanese Independent External Directors, of the UK local entity of the major Japanese financial institution. We expect that he continues to contribute to the supervisory function of the Board and furthermore to enhancement of the enterprise value of the Company through overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant international experiences and broad perspectives with regard to business management.

**Mr. Masatoshi Matsuzaki, Independent External Director**

Masatoshi Matsuzaki became Independent External Director of NSG and a chairman of the Nomination Committee in June 2016. He has the career and experiences of serving as both Representative Executive Officer and subsequently Chairman of the Board of a major international manufacturing company, which adopts a governance system of "Company with Three Committees" like us. We expect that he continues to contribute to the supervisory function of the Board and furthermore to enhancement of the enterprise value of the Company through overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant experiences and broad perspectives with regard to even both sides of executive and supervisory functions of such company having the Committee system.

**Mr. Yuji Takei, External Director**

Yuji Takei initially became External Director of NSG. He joined the Long-Term Credit Bank of Japan, Ltd (now, Shinsei Bank, Limited) and then, moved to an international consulting firm

and subsequently, worked as a partner in an investment fund among others. He has experiences of engaging in corporate management as an Outside Director in several companies.

We expect that he continues to contribute to the supervisory function of the Board and furthermore to enhancement of the enterprise value of the Company through overseeing performance of Executive Officers based upon his abundant experiences and broad perspectives with regard to business management.

**Dr. Jörg Raupach Sumiya, Independent External Director**

Jörg Raupach Sumiya has international experience in the field of both business and academia, and is currently a professor at the college of business administration, Ritsumeikan University, one of the Japan's famous private university.

We expect that he will contribute to the supervisory function of the Board including in overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant experiences and broad knowledge and perspectives with regard to an academic expert and business management.

**Executive Officers**

In addition, each member of Executive Management including Executive Officers, namely, Shigeki Mori, Clemens Miller, and Kenichi Morooka were elected and appointed accordingly by the Board which had considered their proven performance to date, potential caliber as a leader, and commitment to the Group's future direction, Management Principles and Competencies as well as the recommendations or advices thereon from the Nomination Committee. Likewise, considering the above factors comprehensively, and making the head of each business division of the Group and the head of a certain function division to be an Executive Officer with a more legal position and clear responsibility in order to strengthen the execution system, Tony Fradgley, Koichi Hiyoshi, Satoshi Ishino, Hiroshi Nishikawa, Jochen Settelmayer and Phil Wilkinson as Senior Executive Officer, and Hiroshi Kishimoto, Yutaka Nakashima, Tim Bolas, Mike Greenall, Shiro Kobayashi, John Mercer, Iain Smith and Milena Stanisci as Executive Officer, are appointed by resolution of the Board of Directors based on recommendations or advice from the Nomination Committee.