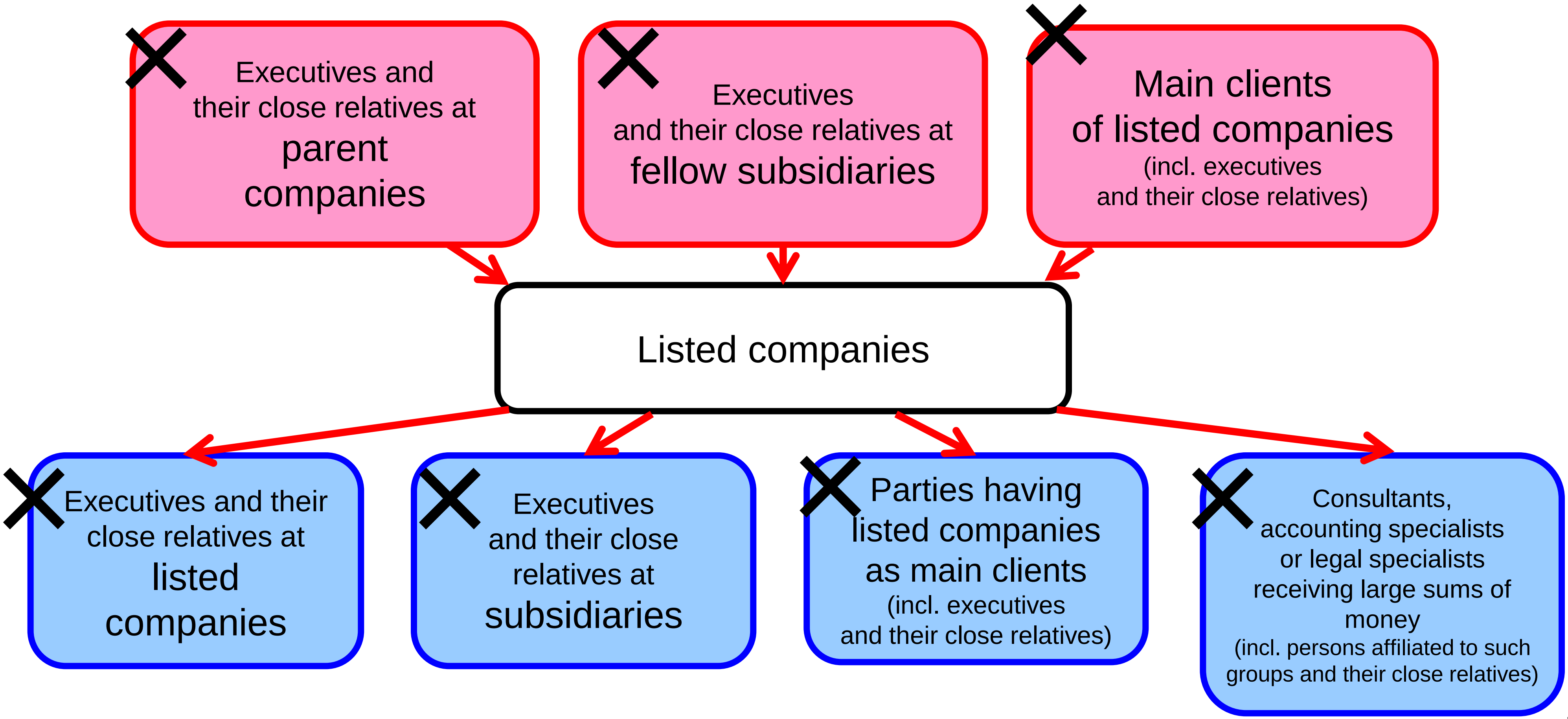
Material 3

Related Data

October 31, 2014

Overview of independence standards

① Outside directors are expected to represent the common interests of shareholders at board meetings.
② In order to do so, it is necessary for outside directors to be independent from all of the company's stakeholders.
③ When the independence standards were drafted in 2009, the Companies Act only saw employment relationships between a company and its subsidiaries as the problem, failing to ensure sufficient independence.
④ Stock exchange regulations therefore established independence standards that meet the global standards.



Disclosing information on independence (1)

The following information should be provided to shareholders in order to allow them to determine whether a particular outside director has sufficient independence and is fit to represent the shareholders' interests:

① **Whether he/she violates any of the independence standards; and**

② **If the outside director does not violate any of the independence standards but is in conditions similar to a violation, whether he/she is independent and reasons for determining that he/she is such.**

- Is not currently in violation of independence standards, but was in the past
  (e.g. persons who used to work for a main client of a listed company, etc.)

- Is a main shareholder, its executive or a close relative (but not a parent company)

< Reference >
- Out of a total of 4,527 independent officers at companies listed on the Tokyo Stock Exchange, those corresponding to the ② type are 278 (6.1%), 213 of these (4.7%) were previously "executives at a listed company's main client".
(based on a survey of all 2,271 companies listed on the Tokyo Stock Exchange's 1st Section, 2nd Section and Mothers, valid as of July 2011)

Disclosing information on independence (2)

③ Any relationships with listed companies that may lead to suspected lack of independence, and overview of such relationships

- In the presence of business relationships
  (*) Covers all clients, including those that do not qualify as "main clients" in paragraphs ① and ② in the previous page.
  (including the payment of remuneration for part-time advisers, rewards for members of the advisory board and audit remuneration for auditing firms).

- If outside officer (i.e., outside director and outsider auditor) hold cross-directorships
- In case of a donation by a listed company

(*) For example, an overview of an officer's relationship with a listed company may contain the type, amount and period of transactions. However, comprehensively listing all transactions between the client and the listed company is not required, and specific sums also need not be specified provided that the information is sufficient for shareholders and investors to appropriately judge independence.

In cases, however, where the listed company sees there is no need to provide an overview, the reason for omitting the overview should be indicated.

Disclosing information on independence (3)

Listed companies

Shareholders and investors

Independent Officer Notification

- A document for providing information on the independence of outside officer in advance to the exercise of voting rights by shareholders
- The notification lists information concerning the independence of outside directors
- Submitted and published no later than two weeks before the general shareholder meeting where the appointment and/or dismissal of officers is to be discussed

Corporate Governance Report

- A document for providing comparable information on corporate governance at listed companies
- The report lists information concerning the independence of outside directors
- Submitted without delay after the general shareholder meeting where the appointment and/or dismissal of officer is discussed ends

Statutory disclosure documents

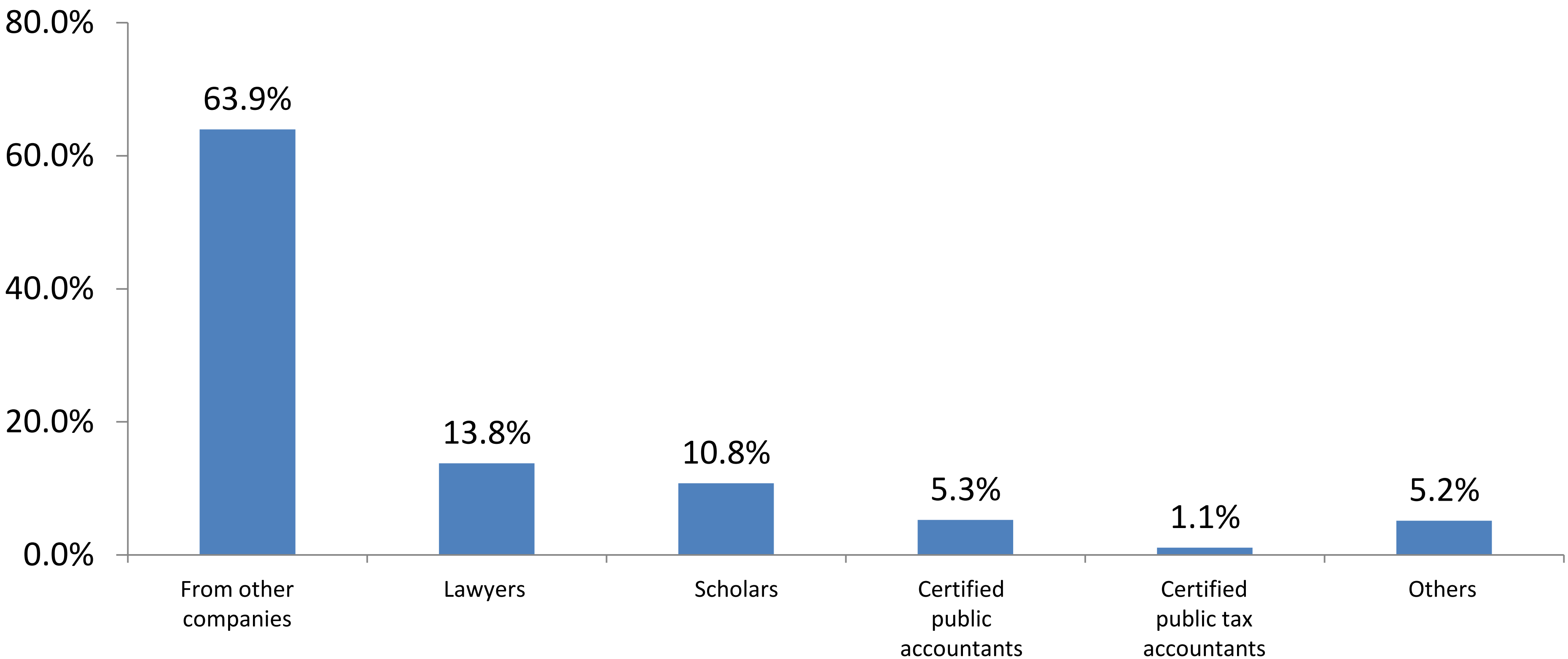
- Information on the independence of outside directors is also being provided to shareholders through reference documents for the general shareholder meeting, business reports and annual securities reports.

< Reference >

- Companies providing information on the independence of candidates for outside officer positions in reference documents for a general shareholder meeting: 55.4%
- Companies indicating outside officers designated as independent officers in their business reports: 92.7%
- Companies indicating independence criteria or policies employed to appoint outside officers: 17.1%

(Source: *Zenkoku Kabukon Rengoukai* - Survey Data Tables on General Shareholder Meetings, October 2014)

Attribution of independent directors



Note: prepared based on Tokyo Stock Exchange data.
(covers a total of 3,761 independent directors at companies listed on the Tokyo Stock Exchange's 1st Section, 2nd Section, Mothers and JASDAQ, valid as of July 2014)

Number of independent directors

Market category	Number of companies	Number of directors median value (average value)	One or more		Two or more		Three or more		One third or more		One half or more	
			Relevant companies	Relevant rate	Relevant companies	Relevant rate	Relevant companies	Relevant rate	Relevant companies	Relevant rate	Relevant companies	Relevant rate
1st Section	1,814	8.0 (8.6)	1,114	61.4%	390	21.5%	141	7.8%	116	6.4%	36	2.0%
2nd Section	545	7.0 (6.9)	168	30.8%	18	3.3%	6	1.1%	8	1.5%	1	0.2%
Mothers	194	5.0 (5.3)	74	38.1%	11	5.7%	1	0.5%	11	5.7%	2	1.0%
JASDAQ	861	6.0 (6.0)	239	27.8%	28	3.3%	5	0.6%	19	2.2%	3	0.3%

Note: prepared based on Tokyo Stock Exchange data.
(covers a total of 3,414 companies listed on the Tokyo Stock Exchange's 1st Section, 2nd Section, Mothers and JASDAQ, valid as of July 2014)

Attribution of chairperson of board

Market category	Number of companies	President		Other than the president		Of which serving as chairman [*kaicho*] (and not Concurrently serving as President)	
		Number of companies	rate	Number of companies	rate	Number of companies	rate
1st Section	1,814	1,370	75.5%	444	24.5%	406	22.4%
2nd Section	545	504	92.5%	41	7.5%	41	7.5%
Mothers	194	187	96.4%	7	3.6%	6	3.1%
JASDAQ	861	822	95.5%	39	4.5%	35	4.1%

Note: prepared based on Tokyo Stock Exchange data.
(covers a total of 3,414 companies listed on the Tokyo Stock Exchange's 1st Section, 2nd Section, Mothers and JASDAQ, valid as of July 2014)

Director training, etc.

United States (NYSE Listed Company Manual)

9 Listed companies must adopt and disclose corporate governance guidelines.

Commentary: ... The following subjects must be addressed in the corporate governance guidelines:
….
・Director orientation and continuing education.

Singapore Code of Corporate Governance

The Board's Conduct of Affairs

1.6 Incoming directors should receive comprehensive and tailored induction on joining the Board. This should include his duties as a director and how to discharge those duties, and an orientation program to ensure that they are familiar with the company's business and governance practices. The company should provide training for first-time director in areas such as accounting, legal and industry-specific knowledge as appropriate.

It is equally important that all directors should receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time.

The company should be responsible for arranging and funding the training of directors. Board should also disclose in the company's Annual Report the induction, orientation and training provided to new and existing directors.