

## **Appointment and Dismissal Criteria for Executive Officers**

### **(Purpose)**

Article 1. These criteria set out the standards to be applied when the Board of Directors appoints or dismisses executive officers.

### **(Policy for Appointment or Dismissal of Executive Officers)**

Article 2. From an independent and objective standpoint, the Board of Directors recognizes effective supervision of Executive Officers as one of its major roles and responsibilities, evaluates the business performance of the Company appropriately, and appoints Executive Officers based on such evaluation. In addition, when doubts are raised as to the Executive Officer's aptitude, the Board of Directors deliberates the dismissal of such Executive Officer.

### **(Grounds for Disqualification)**

Article 3. The Board of Directors shall not appoint persons who fall under the following category as Executive Officer:

- (1) A person who falls under grounds for disqualification set forth in Article 331, Paragraph 1 of the Companies Act that is applied mutatis mutandis pursuant to Article 402, Paragraph 4 of the said Act;
- (2) A person who is subject to the ruling of the commencement of bankruptcy proceedings whose rights have not yet been restored, or a person who is similarly treated under foreign laws and regulations; and
- (3) A person deemed to have relations with antisocial forces.

### **(Appointment Criteria for Executive Officers)**

Article 4. The Board of Directors shall appoint persons who meet the following requirements as an Executive Officer of the Company:

- (1) A person who has expertise related to businesses of the Company;
- (2) A person who is well capable of making business decisions and conducting business management;
- (3) A person who demonstrates outstanding leadership, decision-making skills, foresight, and planning ability;
- (4) A person who has integrity and insight suitable for an Executive Officer; and
- (5) A person who has no health issues in fulfilling one's duty as an Executive Officer.

### **(Dismissal Criteria for Executive Officers)**

Article 5. The Board of Directors shall deliberate the dismissal of an Executive Officer, if such Executive Officer falls under any of the following conditions.

- (1) If he or she commits conduct that constitutes or may constitute a breach of laws, regulations, or the Articles of Incorporation of the Company;
- (2) If he or she commits willful misconduct or conduct involving his or her gross negligence, resulting in a serious damage to the Company;
- (3) If he or she commits conduct in breach of his or her duty of loyalty with intention to benefit

himself/herself or a third party;

- (4) If he or she commits conduct that significantly impairs the credibility of the Company;
- (5) If he or she falls under any of the grounds for disqualification set out in each item of Article 3.;  
and
- (6) If he or she no longer meets the criteria set out in each item of the preceding Article.

(Revision and Abolition)

Article 6. Revision and abolition of these criteria shall be subject to the resolution by the Board of Directors.

Supplementary Provision

- 1. These criteria shall come into effect from November 4, 2015.
- 2. This revision shall come into effect from October 1, 2018.