

Board of Directors Regulations

Article 1 [Guidelines]

The Board of Directors shall be smoothly operated according to regulations by determining the principles of operating the Board of Directors and systematically prescribing the standards, procedures, etc. for the operation of the Company's Board of Directors.

Article 2 [Standards and Procedures]

1. General matters

1) Application of regulations

Unless otherwise prescribed by law or the Articles of Incorporation, matters regarding the Board of Directors shall comply with this Regulations.

2) Composition of Board of Directors

(1) The Board of Directors shall be composed of Directors appointed by the General Meeting of Shareholders including the Representative Director.

(2) Auditors may present their opinions by attending the Board of Directors. Provided, that they shall not hold votes.

(3) To process affairs of the Board of Directors, while the Board of Directors shall have 1 Assistant Administrator, he or she shall be the Department Head of affairs of the Board of Directors.

3) Chairperson

(1) The Representative Director shall be the Chairperson of the Board of Directors and shall preside all meetings of the Board of Directors.

(2) In the event of unavailability of the Chairperson or delegation of such authority, the Director in the order determined in advance by the Board of Directors shall preside the meeting.

4) Type of Board of Directors

(1) The Board of Directors shall be divided into the regular Board of Directors and a temporary Board of Directors.

(2) The regular Board of Directors shall be held once every half-quarter, and it shall be held on the day decided by the Representative Director in February for the first half and August for the latter.

(3) A temporary Board of Directors shall be convened by the Chairperson for urgent considerations for bills, and a meeting can be held at any time when a request for convocation is made by at least 1/3 of the Board of Directors.

5) Resolutions of Board of Directors

(1) Matters that require resolution of the Board of Directors shall be as follows.
Convening the General Meeting of Shareholders, decisions and approval of considerations for bills

Prior approval of financial statements and approval of business report

Appointment of Representative Director and Co-Representative Director

Granting and changing positions of Directors

Assignment, dismissal of affairs managed by Directors, appointment of executives

Approval for trade between Directors and the Company

Issuance of new shares

Issuance of corporate bonds

Establishment, transfer, closure of branches, appointment or dismissal of managers

Domestic and foreign loan contracts, debt guarantee for others

Incorporation of a subsidiary company or cooperative

Matters regarding external Directors and external audit system

Capitalization of reserves

Decision on issuing special bonds, such as convertible bonds, bonds with warrants, income bonds, exchangeable bonds, etc.

Capital reduction

Conclusion of important contracts

Transfer or takeover of important business

Important investment for other corporations or disposal of important investment shares

Acquisition of important assets, acquisition or provision of security

Revision or discontinuance of regulations for the Board of Directors

Matters acknowledged to be important in the operation of affairs

Matters prescribed by law or the Articles of Incorporation, matters acknowledged to require the Representative Director or at least 3 Directors

The detailed matters of the previous paragraphs may be prescribed by company rules.

6) Duties of Directors

- (1) Directors shall fulfill affairs with fiduciary duty according to the principle of good faith based on law and the Articles of Incorporation.
- (2) Directors cannot engage in trade of the business category of the Company at their own account or that of a third party without prior approval from the Board of Directors. If a Director violates this and engages in trade of the business category of the Company at his or her own account or that of a third party, the Board of Directors, when the trade was made at his or her account, may deem it made at the account of the Company and demand the Director for transfer of acquisition due to it.
- (3) Directors cannot become the directors or employees of unlimited liability of other companies with the purpose of the same business without prior approval of the Board of Directors, and when a director or employee of unlimited liability of another company with the purpose of the same business is appointed as a Director of the Company, the Board of Directors may request the corresponding Director for dismissal of office as director or employee of unlimited liability at the other company.
- (4) Directors cannot engage in trade with the Company at their own account or that of a third party without prior approval of the Board of Directors.

- (5) Directors during their term and even after retirement shall manage the secrets of the Company acquired while fulfilling affairs with complete caution and shall not promote their own interests or that of a third party using the secrets of the Company.
- (6) Directors, regardless of the relationship to affairs, shall maintain their dignity to prevent the Company from defamation.

2. Procedures

1) Convocation notice

- (1) The convocation notice of the Board of Directors shall be sent in writing including the time, date, location, and purpose of meeting 7 days in advance by the Chairperson or Director designated by the Chairperson.

Provided, that when urgently needed, such period may be shortened through discussion between the Chairperson of the Board of Directors or Director designated by the Chairperson and the Assistant Administrator of the Board of Directors.

- (2) By unanimous agreement of the Directors and Auditors, the Board of Directors may be held without the convening procedures of the previous paragraph.

2) Resolution method

- (1) The Board of Directors shall be established by the attendance of the majority of Directors and resolutions shall be made by affirmative votes of the majority of the Directors present.

- (2) Directors with special interests regarding resolutions of the Board of Directors cannot exercise voting rights.

- (3) The voting rights of Directors that cannot be exercised according to Paragraph 2 shall not be included in the number of voting rights, restricted to the bill concerned.

- (4) Directors cannot exercise voting rights through agents.

3) Bill explanation

- (1) Bills presented for consideration to the Board of Directors, in principle, shall be explained by the responsible Director, but may be explained by the team leader concerned or a designated person.

- (2) The Board of Directors, when necessary for the bill for consideration, may receive opinions or explanation from employees that are not members of the Board of Directors or external personnel through their attendance.

4) Delegation of matters other than resolutions and resolutions

- (1) Excluding matters prescribed by law or the Articles of Incorporation that require resolution of the Board of Directors, decisions may be delegated to the Representative Director by resolution of the Board of Directors.

- (2) Matters not prescribed shall be decided and executed by the Representative Director within the authority delegated and granted by this Regulations.

- (3) The Representative Director may make a responsible Director or executive to execute matters concerned within the scope of matters delegated by the Board of Directors.

5) Ex post facto approval

Urgent matters that cannot wait for the Board of Directors to be convened shall be executed by the Representative Director by immediately convening the Board of Directors, report the circumstances, and receive approval.

Article 3 [Miscellaneous]

1. Assistant Administrator

1) The Board of Directors shall have an Assistant Administrator as prescribed by Article 3 of this Regulations.

Provided, that when the Assistant Administrator is unavailable, a person designated by the Chairperson may be the acting Assistant Administrator.

2) The Assistant Administrator shall be supervised by the Chairperson, assist each Director, and organize overall affairs of the Board of Directors.

2. Minutes

The Assistant Administrator of the Board of Directors shall keep minutes including the course of proceedings and decision chosen, and the Chairperson presiding the Board of Directors and all present Directors and Auditors shall sign or seal.

3. Preservation of documents

The bills for consideration and minutes of the Board of Directors shall be preserved permanently by the Assistant Administrator.