

## Additional disclosure items concerning corporate governance

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### Speedread

On 12 February 2010, the Financial Services Agency of Japan (FSA) proposed amendments to the Cabinet Office Ordinance on Disclosure of Corporate Information. The proposals, made in response to a study group report, aim to ensure that Japanese corporate governance is sufficiently acceptable to both domestic and foreign investors and maintains confidence at an international level.

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On 12 February 2010, the Financial Services Agency of Japan (FSA) proposed amendments to the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.

These proposals were in response to a report by a study group on the internationalisation of Japanese financial and capital markets setup by the FSA. The report stated that, given the increasingly global nature of the capital markets, it is necessary for corporate governance to be sufficiently acceptable to both domestic and foreign investors as well as to maintain confidence at an international level.

The amendments proposed by the FSA would require disclosure of the following matters about the corporate governance of a company in its security reports:

1. Structure of corporate governance:

An outline of the governance system of the company and the reason for selecting such system.

Whether or not a statutory auditor with expert knowledge of finance and accounting is appointed.

The state of co-ordination between outside directors/outside statutory auditors and departments in charge of internal control and internal auditing of the company.

The reason for not appointing outside directors, if relevant.

2. Remuneration of directors and statutory auditors:

The amount of remuneration and directors'/statutory auditors' names and a breakdown by the type of payment, if each of their remunerations for the relevant fiscal year is JPY100 million or more.

The total amount of remuneration paid to each type of director and statutory auditor.

An explanation of the company's remuneration policies for its directors/statutory auditors, and the way they are determined, if such policies are put in place.

### 3. Cross-shareholdings:

For shares which the company holds primarily for any strategic purposes (for example, reciprocal or multilateral cross-shareholdings), the list of issues:

within the top thirty largest amounts on the latest balance sheet of the company; or

whose amounts reported on the balance sheet exceeds 1% of the capital in either the latest or the preceding fiscal year.

Also the number of shares held by the company.

For shares which the company holds solely for the purpose of realising direct investment gains, the total amounts on the balance sheet of the latest and the preceding fiscal years.

### 4. Voting results:

For results of resolutions at shareholders' meetings, the number of votes cast for, against or withheld, including a separate tabulation in respect of nominee votes.

The FSA sought public comment on these proposals by 15 March 2010 and the amendments will come into effect at the end of March 2010.

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