

*This is an excerpt translation of the Japanese original for convenience only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.*

## **Policy for Determination of Directors Remuneration**

The Company has established the Nomination and Remuneration Committee composed of Board-Audit Committee members and the president to strengthen corporate governance and enhance fairness, transparency and objectivity in procedures related to nomination and remuneration of directors. Based on the results of deliberations by the Committee, the Company determines the policy for deciding directors remuneration at the Board of Directors meeting.

### **Remuneration of Directors (excluding Board-Audit Committee members)**

The maximum total amount of remuneration of directors (excluding Board-Audit Committee members) shall be within ¥600 million per annum (based on a resolution of the 43rd Annual General Meeting of Shareholders held on June 16, 2015).

The remuneration of directors (excluding Board-Audit Committee members) is determined at the Board of Directors meeting based on deliberations by the Nomination and Remuneration Committee.

The remuneration of directors (excluding Board-Audit Committee members) shall consist of basic compensation and extraordinary compensation. Part of basic compensation is linked to the Company's ordinary income and other business performance, and extraordinary compensation additionally takes into account fund performance. As an investment company managing highly volatile venture and buyout investment funds, the level of compensation shall reflect the amount of assets under management and the Company's business performance resulting from asset management, and be appropriate for securing capable human resources.

#### **(Basic compensation)**

Basic compensation is partially determined by job positions and years in service, and partially linked to the Company's business performance. The level of performance-linked basic compensation is determined on a scale of 1 to 5 by reflecting short-term results based on the comparison of the Company's profit levels and its details for the preceding fiscal year with the past results. A standard percentage of performance-linked basic compensation is about 20%, and the relevant amount increases/ decreases within a range of 30% based on the above 5-point scale.

#### **(Extraordinary compensation)**

The year-on-year increase/ decrease in percentage terms of extraordinary compensation level is determined based on year-on-year comparison of profit levels, unrealized gains and fund performance, which is a major management index over the medium- to long-term. Based on this percentage, the amount paid to each director is determined by taking into account their job responsibilities and the degree of contribution. Extraordinary compensation may not be paid when the Company's performance deteriorates sharply.

**Remuneration of Directors serving as Board-Audit Committee members**

The remuneration of Directors serving as Board-Audit Committee members shall be within ¥300 million per annum (based on a resolution of the 43rd Annual General Meeting of Shareholders held on June 16, 2015).

The remuneration of directors serving as Board-Audit Committee members is determined through discussions between the Board-Audit Committee members.

The remuneration of directors serving as Board-Audit Committee members consists only of basic compensation excluding performance-linked portion, and there is no extraordinary compensation. The compensation system, which is not easily affected by the Company's performance, ensures their independence to the Company's management.

The Articles of Incorporation of the Company do not stipulate that decisions on the execution of important business can be delegated to Directors. Such decisions are made based on thorough discussions by the Board of Directors, including independent directors serving as Board-Audit Committee members. The level of compensation for Directors serving as Board-Audit Committee members is set by taking into account their involvement in important management decision-making and their duties of supervising business execution.