

Extract from Chapter 4, Section 1 Board of Directors of the Company's Corporate Governance Guidelines.

5. Policies and Procedures for determining Compensation for Directors and Corporate Auditors

- (1) MCI's basic policies regarding the determination of compensation for directors(excluding outside director) are as follows.
 - (i) Compensation will be commensurate with the entrustment of MCI's management and will be tied to the growth and performance improvement of the MCI Group.
 - (ii) Compensation schemes will be devised to reflect both corporate performance and the performance of the individual director.
 - (iii) Compensation for higher positions will more strongly reflect their contributions to mid- and long-term corporate growth.
 - (iv) We will ensure transparency and maintain accountability to our shareholders and other related parties regarding the determination of compensation for directors.
- (2) Compensation for directors (excluding outside directors) will be comprised of monthly compensation (a fixed amount) and bonuses. The proportion of compensation comprised of bonuses will be appropriately set to function as an appropriate incentive for the sustained growth of MCI.
- (3) Compensation for outside directors and corporate auditors will be comprised solely of monthly compensation (a fixed amount), the level of which will be established referring to third-party surveys regarding compensation for corporate managers in Japan and other information.
- (4) MCI has established the Executive Compensation Advisory Committee as an advisory body to the Board of Directors in order to ensure the suitability of director compensation levels and the transparency of performance evaluations. The president will serve as the chair of the Executive Compensation Advisory Committee, which will be comprised of the representative directors and outside experts.
- (5) The Board of Directors will determine the compensation for MCI's directors after consulting with the Executive Compensation Advisory Committee.