

submitted to the Division Company President for a final decision. Projects that exceed the Division Company President's authority must be approved by the Headquarters Management Committee (HMC). If additional consideration and screening of an investment's profitability and strategy are needed prior to the HMC, the application is sent to the Investment Consultative Committee*1 for deliberation. After discussing the application, this committee puts the matter before the HMC. This approach devolves authority to the Division Companies and speeds decision-making, while at the same time providing appropriate screening processes to pursue return on investments and also control investment risk.

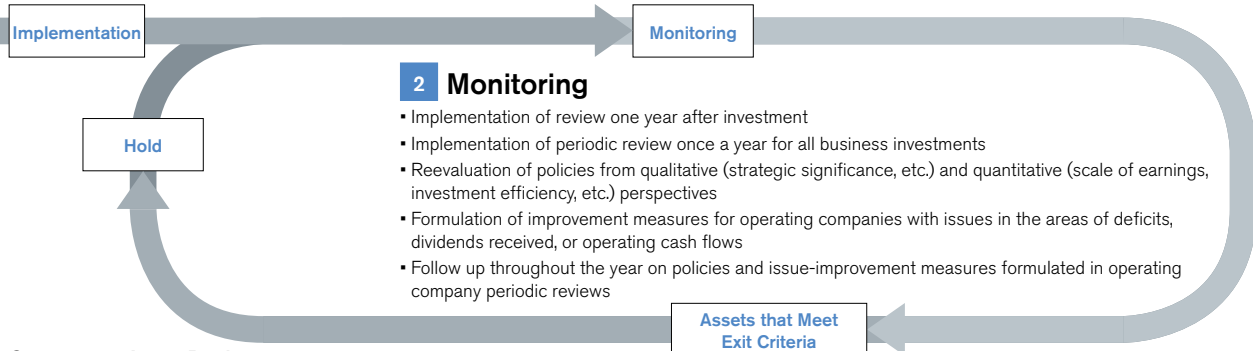
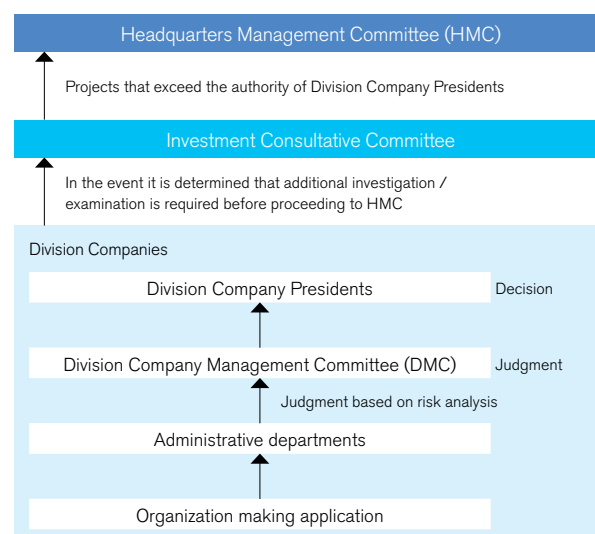
*1 Investment Consultative Committee: Core members include the CSO-CIO*2, CFO*3, CAO*4, General Counsel, General Manager of the General Accounting Control Division, General Manager of the Corporate Planning & Administration Division, General Manager of the Global Risk Management Division, and Corporate Auditors

*2 CSO-CIO: Chief Strategy & Information Officer

*3 CFO: Chief Financial Officer

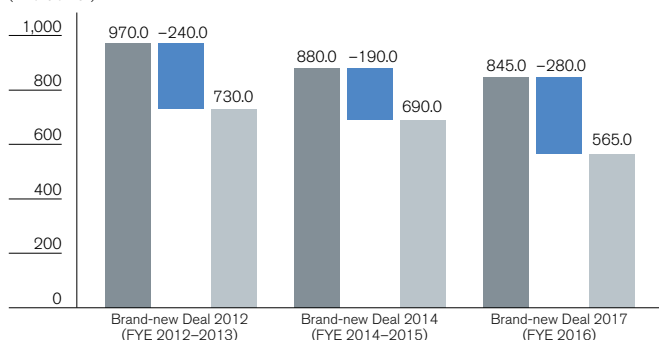
*4 CAO: Chief Administrative Officer

Decision-Making Process for New Investments



Continuous Asset Replacement

(Billions of Yen)



3 Asset Replacement

- To strengthen financial position, promote replacement of low-efficiency assets that meet exit criteria, in consideration of the cost of capital and other factors, and of businesses that have lost strategic holding significance