

Appointment of Outside Directors  
by TSE-Listed Companies  
[Confirmed report]

---

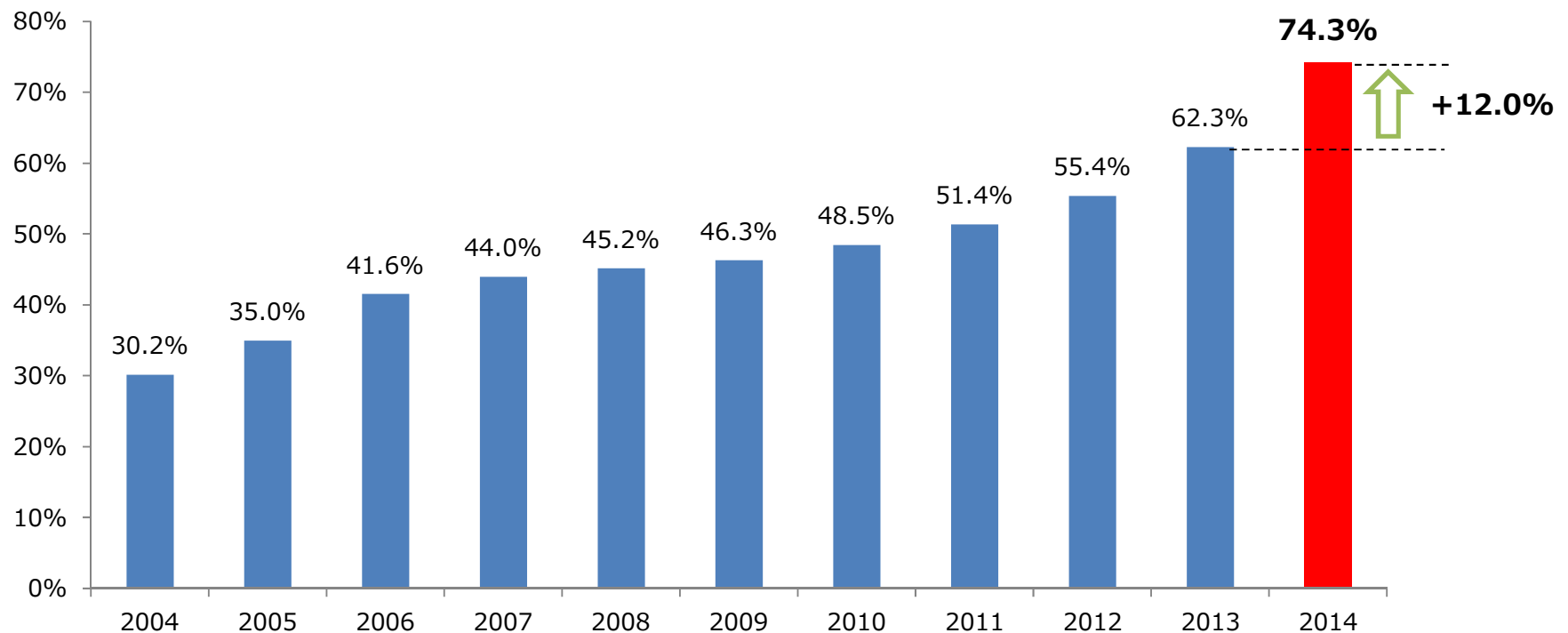


Tokyo Stock Exchange, Inc.  
July 25, 2014

# Appointment of Outside Directors

- 74.3% of the 1<sup>st</sup> Section appoint outside directors.

[Ratio of 1<sup>st</sup> Section Companies with Outside Directors]

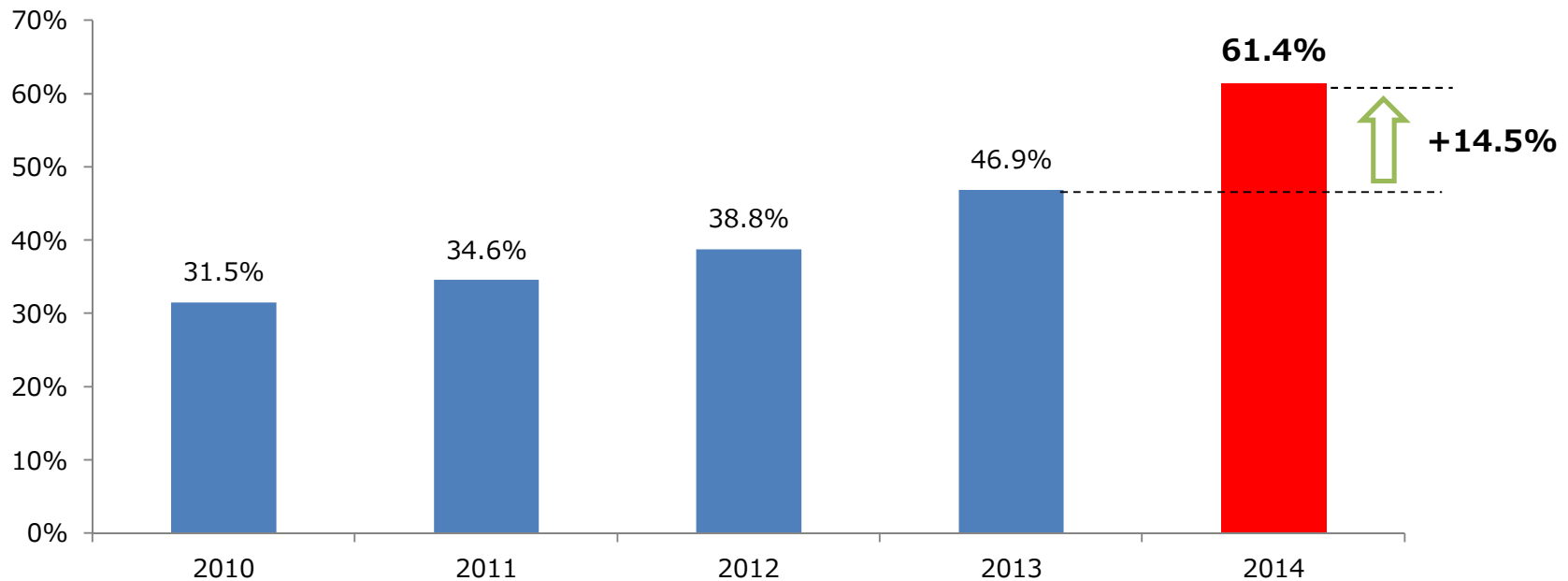


\* Figures for years prior to 2014 are based on (i) corporate governance reports and (ii) research on corporate governance of the listed companies conducted by Japan Association of Corporate Directors. The figures for 2014 are based on corporate governance reports of listed companies as of July 14, 2014.

# Appointment of Independent Directors

- 61.4% of the 1<sup>st</sup> Section appoint independent directors.

[Ratio of 1<sup>st</sup> Section Companies with Independent Directors]



\* Figures for years prior to 2014 are based on corporate governance reports. The figures for 2014 are based on corporate governance reports of listed companies as of July 14, 2014.

What is an independent director ?

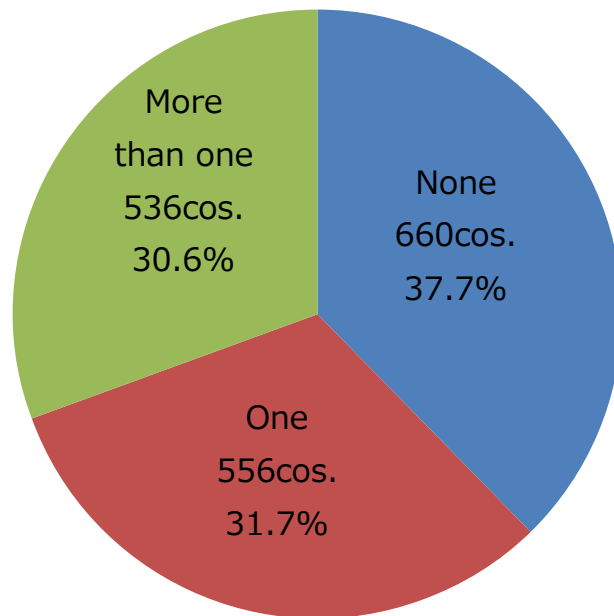
An outside director that is designated as an independent directors under the TSE listing rules. To protect the interests of general shareholders, TSE requires listed companies to file highly independent outside directors/auditors as independent directors/auditors.

# Number of Outside Directors per Company

- 34.3% of the 1<sup>st</sup> Section appoint more than one outside director  
(Increased by 3.7% from the previous year)

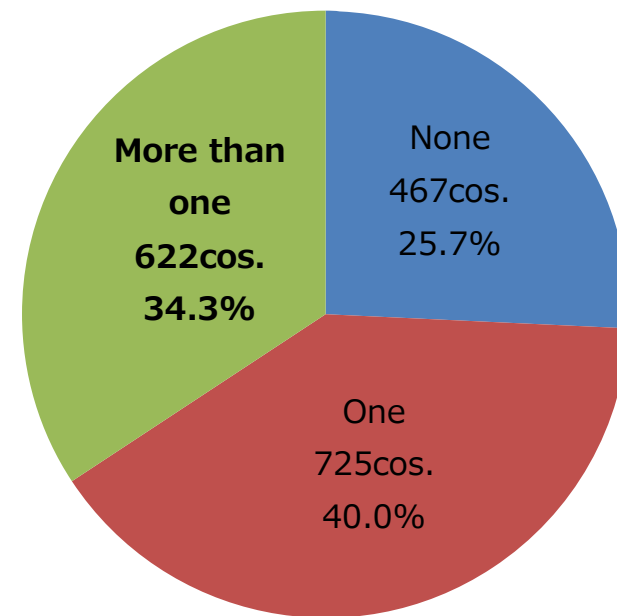
[Number of Outside Directors per 1<sup>st</sup> Section Company]

2013



Average: 1.87 persons

2014



Average: 1.79 persons

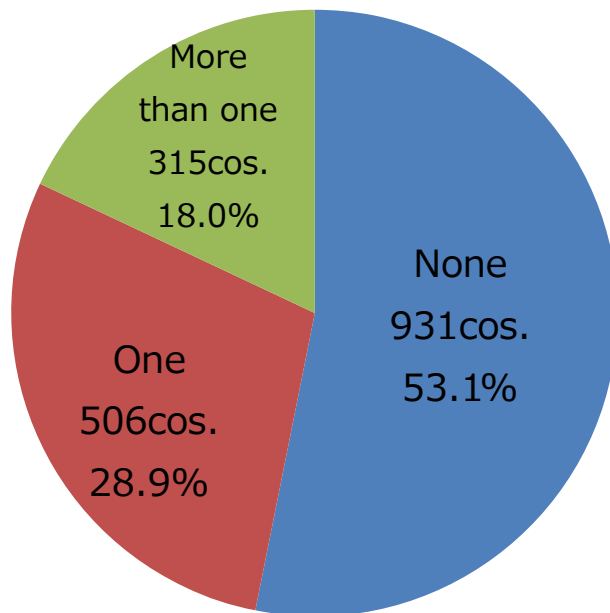
\* Average numbers at companies that appoint outside directors.

# Number of Independent Directors per company

- 21.5% of the 1<sup>st</sup> Section appoint more than one independent director (Increased by 3.5% from the previous year)

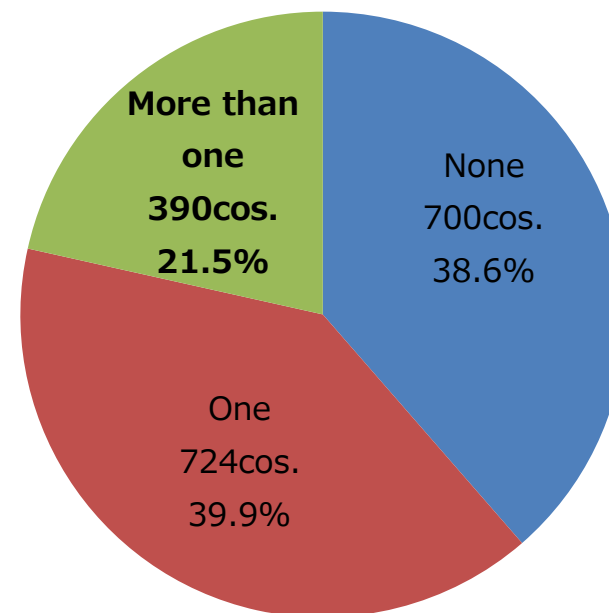
[Number of Independent Directors per 1<sup>st</sup> Section Company]

2013



Average: 1.65 persons

2014



Average: 1.57 persons

\* Average numbers at companies that appoint independent directors.

# (Table) Appointment of Outside/Independent Directors

	Number of Companies	Companies with Outside Directors		Companies with Independent Directors	
		Number	Ratio	Number	Ratio
1st Section	1,814	1,347	74.3%	1,114	61.4%
		(+255)	(+12.0%)	(+293)	(+14.5%)
2nd Section	545	301	55.2%	168	30.8%
		(+37)	(+8.9%)	(+65)	(+12.7%)
Mothers	194	131	67.5%	74	38.1%
		(+11)	(+2.3%)	(+13)	(+4.9%)
JASDAQ	861	421	48.9%	239	27.8%
		(+57)	(+7.9%)	(+77)	(+9.6%)
<b>Total</b>	3,414	2,200	64.4%	1,595	46.7%
		(+360)	(+10.2%)	(+448)	(+12.9%)
JPX-Nikkei 400	400	341	85.3%	309	77.3%

\* Change from previous year indicated in parentheses.

# (Table) Number of Outside/Independent Directors per Company

	Number of Companies	Outside Directors				Independent Directors			
		Average	None	1 person	More than 1 person	Average	None	1 person	More than 1 person
1st Section	1,814	1.79	467 25.7%	725 40.0%	622 34.3%	1.57	700 38.6%	724 39.9%	390 21.5%
2nd Section	545	1.50	244 44.8%	205 37.6%	96 17.6%	1.15	377 69.2%	150 27.5%	18 3.3%
Mothers	194	1.75	63 32.5%	69 35.6%	62 32.0%	1.16	120 61.9%	63 32.5%	11 5.7%
JASDAQ	861	1.58	440 51.1%	276 32.1%	145 16.8%	1.15	622 72.2%	211 24.5%	28 3.3%
<b>Total</b>	<b>3,414</b>	<b>1.71</b>	<b>1,214 35.6%</b>	<b>1,275 37.3%</b>	<b>925 27.1%</b>	<b>1.44</b>	<b>1,819 53.3%</b>	<b>1,148 33.6%</b>	<b>447 13.1%</b>
JPX-Nikkei 400	400	2.30	59 14.8%	122 30.5%	219 54.8%	2.10	91 22.8%	126 31.5%	183 45.8%

\* Average numbers are averages for companies that appoint outside directors and those that appoint independent directors.



## Notes on Figures

---

- Figures for 2014 are based on corporate governance reports of listed companies as of July 14, 2014.
- Figures for 2013, used to indicate changes from the previous year, are based on the corporate governance reports of listed companies as of August 31, 2013.