

1. Basic Line of Thinking to Corporate Governance

MTI places among the top priorities of business management the establishment of a highly transparent and sound management structure, and the creation of systems to support timely, appropriate decision-making in response to a changing business environment. One of the measures introduced with the aim of achieving these goals was the adoption of a one-year term of office for directors. This has added a sense of alertness to the management environment, since directors are required to earn the confidence of shareholders every year. We are also working to strengthen and consolidate our compliance systems.

In accordance with our IR policy, we provide timely and accurate disclosure of information including financial results and other important management information. We also emphasize two-way communication with all stakeholders to enhance management transparency and build relationships of trust with market participants.

2. Overview for Corporate governance system

Overview for Corporate governance system is as follows.

1) The tasks of the Board of Directors, which consists of seven internal directors and one external director, are to make important management decisions and supervise directors in the perfor-

mance of their duties. In addition to its regular monthly meetings, the Board also convenes extraordinary meetings as required. There are four statutory auditors, including one standing statutory auditor. All four are currently external statutory auditors. Their task is to strengthen the supervisory functions of management through various activities, including attendance at Board meetings and other important management meetings.

2) By basing its executive organization on an operating officer system, MTI has created a structure that supports clear chains of accountability and timely decision-making. The Management Committee, consisting mainly of directors and operating officers, meets two or three times a month to discuss important operational matters. Decisions by the President and CEO are guided by these deliberations.

Amounts of remuneration for directors and statutory auditors (Thousands of yen)

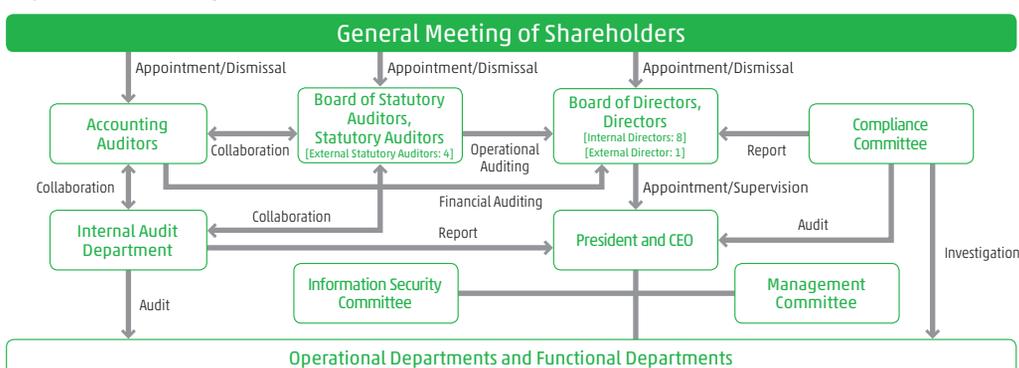
Position	Number of persons	Amount*
Directors	Directors (9 persons)	230,264
	(of whom external director; 1)	4,200
Statutory auditors	Statutory auditors (4 persons)	34,380
	(of whom external statutory auditors; 4)	34,380
Total		264,644

*Sum of basic compensation, stock options, and bonuses

Amount of remuneration for the accounting auditor (Thousands of yen)

Amount	
Monetary or property benefits to be paid by the Company and its subsidiaries to the accounting auditor	43,827

Corporate Governance Organization Chart



For details of the Corporate Governance, please refer to MTI's IR site.
http://www.mti.co.jp/eng/?page_id=246