

Standards for Independence of Outside Directors/Outside Audit & Supervisory Board Members

The independence of Outside Directors/Outside Audit & Supervisory Board Members of the Company refers to such a person being independent from the Company's management without falling under any of the following:

1. A person executing the business, etc. ("Executing Person") of the Company (*1) and its affiliates (hereinafter, "the Group") and their relatives, etc. (*2);
2. A party for which the Group is a principal business partner (*3) or an Executing Person thereof;
3. A principal business partner of the Group (*4) or an Executing Person thereof;
4. A major shareholder of the Company (*5) or an Executing Person thereof;
5. A director and other Executing Person of an organization (*6) that has received a certain amount or more of donations or subsidies from the Group;
6. A consultant, certified public accountant or other accounting professional, or lawyer or other legal professional who has received a substantial amount of monetary compensation or other consideration other than director/corporate auditor compensation from the Group (*7) (if the party receiving such consideration is a corporation, association or other entity, a person belonging to the said entity or a person who has belonged to the said entity in the past three years).

(*1) An Executing Person refers to those who conduct business operations or conducted business operations within the past three years, including directors (excluding outside directors), executive officers and employees.

(*2) Relatives refer to relatives within the second degree of kinship of those who conduct important business operations, including directors (excluding outside directors), executive officers and division managers.

(*3) A party for which the Group is a principal business partner refers to a business partner group (which means entities that belong to the consolidated group to which the direct business partner belongs; the same shall apply hereinafter) that supplies products and services to the Group, where the business partner group's trading amount with the Group exceeds 2% of the consolidated sales of the business partner group in the any of the recent past three fiscal year.

(*4) A principal business partner of the Group refers to those who fall under either of the following:

(1) A business partner group to whom the Group supplies products and services, where the Group's trading amount with such group exceeds 2% of the Group's consolidated sales in the any of the recent past three fiscal years.

(2) A financial institution group (which means entities that belong to the consolidated group to which the direct lender belongs) from which the Group has borrowed funds, where the total amount of the Group's borrowings from the financial institution group exceeds 2% of the Group's consolidated total assets at the end of the any of the recent past three fiscal year.

(*5) A major shareholder of the Company refers to those who directly or indirectly hold voting interests of 10% or more.

(*6) An organization that has received a certain amount or more of donations or subsidies from the Group refers to public interest incorporated foundations, public interest incorporated associations, non-profit organizations, etc. which receive donations or subsidies of over 10 million yen per year within any of the past three years from the Group.

(*7) A consultant, certified public accountant or other accounting professional, or lawyer or other legal professional who has received a substantial amount of monetary compensation or other consideration other than director/corporate auditor compensation from the Group refers to those who received such consideration other than Director/ Audit & Supervisory Member compensation of over 10 million yen from the Group in any of the recent past three fiscal year or those who belong to an entity which receives such consideration from the Group in amount exceeding 2% of the said entity's consolidated sales or gross income.