

Criteria for Assessing Independence of Outside Directors and Outside Audit & Supervisory Board Members

The Company deems Outside Directors and Outside Audit & Supervisory Board Members and their candidates to be independent if they meet the following criteria.

1. A person is not currently working, nor has worked in past 10 years, for the Company or its subsidiaries as an executive director, an executive officer, or other employee.
2. A person is not currently taking on an important role such as an executive director, an accounting advisor, an executive officer, an executive manager, or other employee at the company's major shareholders who holds at least 10% of voting rights.
3. A person is not currently taking on an important role at the company's main clients*.
* Client who accounted for 2% or more of the company's consolidated net sales in the most recent fiscal year.
4. A person is not currently taking on an important role at the company's main business partners*.
* Business partners that the company provided 2% or more of their consolidated net sales in the most recent fiscal year.
5. A person is not currently taking on an important role at a financial institution*.
* Financial institution that the company is heavily dependent on in financing itself to the extent that there is no alternative source.
6. A person is not an attorney, a certified public account, a consultant, or other professional role offering specialized services to the company and receiving large sums of remuneration* from the company in addition to remuneration for a director or an audit & supervisory board member.
* Remuneration over ¥10 million paid in the most recent fiscal year.
7. A person is not a relative* of the person who is currently taking on an important role in the company or its subsidiaries.
* A spouse or a relative within the second degree of kinship of the person.

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In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

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