



Outline of Independence Criteria for Independent Directors

In selecting candidates for independent outside directors, the Company ensures that they satisfy the requirements for independence set forth by the Tokyo Stock Exchange and the Company's Criteria for Independence of Outside Directors/Audit & Supervisory Board Members as described below.

Criteria for Independence of Outside Directors/Audit & Supervisory Board Members (hereinafter "Outside Officers"):

The Company judges Outside Officers or candidates for Outside Officers as independent if, as a result of the investigation conducted by the Company as far as reasonably possible, they do not fall under any of the following items:

- 1) An executive Note 1 of the Company and its affiliates (hereinafter collectively referred to as the "Group");
- 2) A party that regards the Group as major client Note 2, or an executive thereof;
- 3) A major client of the Group Note 3, or an executive thereof;
- 4) A major shareholder of the Company (holding directly or indirectly 10% or more of total voting rights) or an executive thereof;
- 5) A party of which the Group directly or indirectly holds 10% or more of the total voting rights or an executive thereof;
- 6) A person who belongs to an audit firm appointed as Accounting Auditor of the Group;
- 7) An attorney, certified public accountant, licensed tax accountant, consultant and the like who receives a large amount Note 4 of monetary or other property benefits other than officers' remuneration from the Group;
- 8) A person who belongs to corporations, cooperatives, and the like including law firms, auditing firms, tax accountant corporations, and consulting firms, which receive a large amount Note 4 of monetary or other property benefits from the Group;
- 9) A person, or a council member or other executive of a corporation or cooperative, which receives a large amount Note 4 of donations or assistance from the Group;
- 10) A person who serves as executive director, executive officer (shikko-yaku), executive officer (shikkoyakuin), manager or other important employee of such company in cases where Executive Directors, or full-time Audit & Supervisory Board Members concurrently serve as Outside Directors or Outside Audit & Supervisory Board Members of other companies;
- 11) A person who falls under the definition of the above (ii) to (x) in the last ten years; and
- 12) In cases where a person falling under the definition of the above (i) to (x) is an important person Note 5, their spouse or relative within the second degree of kinship.

Notes:

1. An "executive" refers to a director, executive officer (shikko-yaku), executive officer (shikko-yakuin), employee with executive powers, council member, or party or employee equivalent thereto of corporations and other bodies, as well as a party who belonged to the Group in the past even once.
2. A "party regarding the Group as major client" refers to a party who has received from the Company the payment

of 2% or more of their consolidated annual sales in the most recent fiscal year.

3. A “major client of the Group” refers to a party who pays the Company 2% or more of its consolidated annual sales in the most recent fiscal year, or who loaned the Company 2% or more of its consolidated total assets at the end of the most recent fiscal year.
4. A “large amount” refers to, in terms of the average for the past three fiscal years, 10 million yen or more for individuals, or for entities including corporations and cooperatives, more than 2% of the consolidated sales or total revenues.
5. An “important person” refers to a director (excluding outside director), audit & supervisory board member (excluding outside audit & supervisory board member), executive officer (shikko-yakuin) and an employee who is senior manager in the position of general manager or higher.