

## 【Independence Standards for Outside Directors】

In order for Outside Directors to qualify as independent, the relevant Outside Directors must not fall into any of the following categories.

- (1) A person for whom the Company is a Major Business Partner, or an operating executive or employee (an “Operating Executive”) thereof, or a person who is a Major Business Partner of the Company or an Operating Executive thereof, except for those who fall into (2) below;
  - ※ “A person for whom the Company is a Major Business Partner” means a person who has received payments from the Company for property or services in an amount which, in the last fiscal year, equaled the greater of 2% of the recipient’s consolidated gross revenues (including its equivalent; hereinafter the same), or 100 million yen, or more.
  - ※ “A person who is a Major Business Partner of the Company” means a person who has made payments to the Company for property or services in an amount which, in the last fiscal year, equaled 2% of the Company’s consolidated gross revenues or more, provided that in the case of a financial institution from which the Company borrows funds, such institution is indispensable for the Company to fundraise and an institution on which the Company depends irreplaceably.
  
- (2) A consultant, an accountant, or a lawyer who receives, or who works at a group such as a corporate body, association or firm which receives, “a Large Amount of Money or Other Property from the Company,” other than compensation for being a Director ;
  - ※ “A Large Amount of Money or Other Property” means an amount of money or other property (excluding the compensation for being a Director ) which, in the last fiscal year, equaled the greater of 10% of the recipient’s gross revenues (or, if the recipient is a group such as corporate body, association or firm, the consolidated gross revenues of such group), or 10 million yen or more.
  
- (3) A person who has recently fallen into either of (1) or (2) above:
  - ※ “A person who has recently fallen into either of (1) or (2) above” means a person who is or could be deemed to fall into either of (1) or (2) above. More specifically, it means a person who fell into either of (1) or (2) above at the time when the board of directors of the Company passed resolutions regarding the agenda for the General Meeting of Shareholders, where such person is selected as an Outside Director.
  
- (4) A person who falls under either of (a) or (b) below within 10 years before becoming an Outside Director:
  - (a) an Operating Executive, or a non-executive director of the parent company of the Company; or
  - (b) an Operating Executive of a company that shares the same parent company as the Company.
  
- (5) A person whose Immediate Family Member (except for those who do not hold an important position) falls under (a) through (e) below:
  - (a) a person who falls into any of (1) through (4) above;
  - (b) an Operating Executive of a subsidiary of the Company;
  - (c) an Operating Executive, or a non-executive director of the parent company of the Company;
  - (d) an Operating Executive of a company that shares the same parent company as the Company; or
  - (e) a person who has recently fallen into (b) above or who has recently been an Operating Executive of the Company.
  - ※ Whether an Immediate Family Member holds an important position or not shall be determined according to section “*ho*” of item 6, paragraph 4, Article 74, of the Ordinance for Enforcement of the Companies Act, etc. For instance, with respect to (1) above, a director or an employee who is above manager level of a business partner company, and with respect to (2) above, a certified public accountant who belongs to an auditing firm and a lawyer (including an associate lawyer) who belongs to a law firm are considered to hold an important position.
  - ※ “Immediate Family Member” means a relative within the second degree of kinship. If a person is no longer a relative within the second degree of kinship as a result of divorce or dissolution of adoption, etc., such a person shall not be considered an “Immediate Family Member.”

(6) A person who is likely to unjustly assert the interests of a specific shareholder, or any other person who is likely to cause a substantial conflict of interest in light of the interests of the Company and the common interests of its shareholders.