(Reference) Criteria for Independence of Outside Officers

The Company shall set the criteria for independence of its outside officers (Directors and Audit & Supervisory Board Members) as follows. If none of the following items applies to an outside officer (or its candidate), the Company deems that the said outside officer maintains adequate independence.
Outside officers shall strive to maintain the independence stipulated by the criteria until retirement. If they come to lose the independence stipulated by the criteria, he or she shall immediately notify the Company.

A person who is or used to be engaged in business execution*1 of the Company as well as its subsidiaries and affiliates (hereafter referred to as the "Group").

Party for whom the Group is a major business partner*2 or a major business partner of the Group and a person who is engaged in business execution at the major business partner of the Group.

A major shareholder*3 of the Company or a person engaged in business execution at a major shareholder of the Company.

A person engaged in business execution at a party in which the Group is a major shareholder.

A Group's major lender*4 or person engaged in business execution at a Group's major lender.

A person who belongs to the accounting firm that is the accounting auditor of the Group.

A consultant, accountant, tax accountant, attorney at law, judicial scrivener, patent attorney, or other expert receiving 10 million yen or more a year other than officers' compensation from the Group (if such financial benefits are obtained by an organization such as an incorporated entity and union, a person belonging to such an organization).

A person receiving 10 million yen or more a year from the Group.

A person engaged in the business execution at a company where the Company's outside officer concurrently holds a position.
A person who fell under any of above items 2 to 9 in the past three years.

Spouse, or a relative within one or second degree from a person who falls under any of above items 1 to 10 in the past three years or a relative who lives together with the person.

A person who currently holds the position of an independent officer and the total number of years in service as Director exceeds eight years if reappointed or the total number of years in service as Audit & Supervisory Board Member exceeds 12 years if reappointed.

In addition to the above items, a person who has a special reason which prevents him or her from performing the duties of an independent outside officer such as a possible conflict of interest with the Company.

*1 "Person engaged in business execution" refers to executive directors, executives, executive officers, and other officers and employees in an equivalent position at a corporate body, etc.
*2 "Major business partner" refers to a business partner whose transaction exceeds 2% of net sales of either party in the most recent fiscal year.
*3 "Major shareholder" refers to a party that directly or indirectly holds 10% or more of the voting rights.
*4 "Major lender" refers to a person from which the Group is borrowing equivalent to 2% or more of its consolidated total assets in the most recent fiscal year.

Enacted on May 21, 2021