

## Criteria Concerning the Selection and Independence of Outside Officers

### Article 1 (Purpose)

The purpose of these criteria is to establish criteria for the selection and independence of the outside directors and outside Audit & Supervisory Board members of the Company.

### Article 2 (Outside Directors)

The Company shall select outside directors from among individuals who satisfy the conditions set forth in each item below. The selection will be made irrespective of their gender and nationality.

1. People with integrity and strong insight and capability, as well as extensive knowledge and experience and a proven track record in their field, which bring diverse perspectives to the Board of Directors
2. People who do not fall under any of the disqualifying reasons set forth in each item of Article 331, Paragraph 1 of the Companies Act apply
3. People who meet the requirement for outside directors set forth in Article 2, Item 15 of the Companies Act

### Article 3 (Outside Audit & Supervisory Board Members)

The Company shall select outside Audit & Supervisory Board members from among people who satisfy the conditions set forth in each item below. The selection will be made irrespective of their gender and nationality.

1. People with integrity and strong insight and capability, as well as a high level of expertise and extensive experience primarily in the field of law, accounting, or business management
2. People who do not fall under any of the disqualifying reasons set forth in the items of Article 331, Paragraph 1 of the Companies Act are applicable as applied mutatis mutandis pursuant by Article 335 of the Companies Act
3. People who meet the requirements for outside Audit & Supervisory Board members set forth in Article 2, Item 16 of the Companies Act

### Article 4 (Independence of Outside Officers)

The Company shall establish criteria for determining the independence of outside officers (outside directors and outside Audit & Supervisory Board members) as stated below. If none of the items below are applicable to outside officers, they shall be deemed to be independent of the Company and not to pose any risk of a conflict of interest with general shareholders.

- (i) An executive (Note 1) of the Company or its subsidiary (hereinafter the "Group") or a person who was an executive of the Group in the past 10 years (however, for a

- person who was a non-executive director or an Audit & Supervisory Board member in the Group at some point in time in the past 10 years, 10 years before assuming these posts)
- (ii) People who have the Group as a major business partner (Note 2) or execute business thereof
  - (iii) Major business partners of the Group (Note 3) or people who execute business thereof
  - (iv) A consultant, accountant or lawyer who receives a large amount of monetary compensation or other property (Note 4), other than officer's remuneration, from the Group (if the person who receives the said property is a legal entity, association or other organizations, this means a person who belongs to the said organization.)
  - (v) A person who receives donations or aid of more than a certain amount from the Group (Note 5) (If the entity who receives the donations or aid is a legal entity, association or other organization, this means the executives of the organization.)
  - (vi) An executive of a major financial institution from which the Group borrows (Note 6) or the parent company or subsidiary of such financial institution
  - (vii) A major shareholder of the Group (Note 7) or an executive of the said major shareholder if the shareholder is a legal entity
  - (viii) A person performing an executive role at a company whose major shareholder is the Group.
  - (ix) An executive of a company that has any directors (whether they are full-time or part-time directors) sent from the Group or the parent company or subsidiary of such company
  - (x) Any person who has fallen under any of the categories (ii) to (ix) above in the last three years
  - (xi) A close relative, etc. (Note 9) of a person who falls under any of (i) through (x) above (limited to a person who is in an important position (Note 8))

End

Note 1: Executive refers to executives as set forth in Article 2, Paragraph 3, Item 6 of the Regulations for Enforcement of the Companies Act. It may refer to executive directors or employees. Executive does not refer to company auditors.

Note 2: People who have the Group as a major business partner refers to business partner groups that provide products or services to the Group (corporate groups comprising a direct business partner, its parent company and subsidiaries, and the subsidiaries of the parent company; the same applies hereinafter) and whose net sales to the Group in the

most recent fiscal year exceeded 2% of its annual consolidated net sales.

Note 3: Major business partners of the Group refers to business partner groups to which the Group provides products or services and to which the Group's net sales in the most recent fiscal year exceeded 2% of its annual consolidated net sales.

Note 4: A large amount of monetary compensation or other property refers to money or another economic benefit other than remuneration for officers in the most recent fiscal year, of more than 10 million yen a year (if the person who receives the property is an organization such as a legal entity or an association, money or other economic benefit that exceeds 2% of the total revenue of the organization in its most recent fiscal year).

Note 5: Donations or aid of more than a certain amount refer to a donation or aid of more than 10 million yen a year on average for the past three fiscal years or 2% of the total revenue of the person in its most recent fiscal year, whichever is higher.

Note 6: Major financial institutions are financial institutions from which the Company borrowed an amount exceeding 2% of its consolidated total assets at the end of the most recent fiscal year.

Note 7: A major shareholder of the Group refers to a shareholder that holds (directly or indirectly) 10% or more of the voting rights.

Note 8: A person who is in an important position refers to a director (excluding an outside director), an executive officer, an operating officer or an employee in a senior management position of general manager or above, as well as a certified public accountant among those who belong to an audit corporation or an accounting firm, a lawyer among those who belong to a law firm, an officer such as a counselor, a director or an auditor among those who belong to an incorporated foundation, an incorporated association, an incorporated educational institution or other corporation, or a person who can be objectively and reasonably judged to have equal importance.

Note 9: A close relative, etc. means a person's spouse and their relatives within the second degree.