

Eligibility Criteria for Independent Directors

1. With respect to the eligibility of independent director (hereinafter referred to as "Independent Director") for the Company, current director or executive officer, or any other employee including the manager (hereinafter collectively referred to as "Director/Executive Officer") and concurrently with the post of the former Director/Executive Officer for ten years before assuming it shall also be excluded from the eligibility criteria (however, if a person was a director without an executive post [hereinafter referred to as "non-Director/Executive Officer"], and an auditor or an accounting advisor at any time during those ten years before taking office as them, such person shall be excluded from the eligibility criteria).

2. With respect to the eligibility for an Independent Director of the Company, its subsidiary's current Director/Executive Officer and concurrently with the post of former Director/Executive Officer for ten years before assuming it shall also be excluded from the eligibility criteria (however, if a person was a non-Director/Executive Officer, an auditor or an accounting advisor at any time during ten years before taking office as them, such person shall be excluded from the eligibility criteria).

3. To be eligible for Independent Directors of the Company, individuals or entities shall not fall into any of the following:
 - (1) Those who are currently principal shareholders of the Company or its subsidiary (who hold over 10% of voting rights; hereinafter referred to as "Principal Shareholder"), or directors, auditors, accounting advisors, corporate officers, deputy directors, executive officers or managers, or any other employees of those parent companies or those significant subsidiaries in the case that Principal Shareholders are corporations,
 - (2) Those who are currently Principal Shareholders of the Company or its subsidiary, or who were for the last five years appointed as directors, auditors, accounting advisors, corporate officers, deputy directors, executive officers or managers, or any other employees of those parent companies or significant subsidiaries.
 - (3) Those who are appointed or holding the position of directors, auditors, accounting advisors, corporate officers, executive officers or managers, or any other employees of companies of which the Company or its subsidiary is currently a Principal Shareholder.

4. To be eligible for Independent Directors of the Company, individuals or entities shall not fall into any of the following:
 - (1) Those who are appointed or holding the position of directors, corporate officers, executive officers or managers, or any other employees of the business partners (who received payment from the Company or its subsidiary which amounts to over 2% out of the annual consolidated total sales for their latest fiscal year; the same applies hereinafter) which trade mainly with the Company or its subsidiary, or of their parent companies or their significant subsidiaries or any other companies (in case of business partners being incorporated).

- (2) Those who are appointed or holding the position of directors, corporate officers, executive officers or managers, or any other employees of the business partners (who received payment from the Company or its subsidiary which amounts to over 2% out of the annual consolidated total sales for their latest fiscal year; the same applies hereinafter) which traded mainly with the Company or its subsidiary in any of three fiscal years just before the latest fiscal year, or of their parent companies or their significant subsidiaries or any other companies (in case of business partners being incorporated).
 - (3) Those who are appointed or holding the position of directors, corporate officers, executive officers or managers or any other employees of the business partners (who made payment to the Company or its subsidiary which amounts to over 2% out of the annual consolidated total sales for our latest fiscal year; the same applies hereinafter) with which the Company or its subsidiary mainly trade, or their parent companies, or their significant subsidiaries or any other companies (in case of business partners being incorporated).
 - (4) Those who are appointed or holding the position of directors, corporate officers, executive officers or managers or any other employees of the business partners (who made payment to the Company or its subsidiary which amounts to over 2% out of the annual consolidated total sales for our latest fiscal year; the same applies hereinafter) with which the Company or its subsidiary mainly traded in any of the three fiscal years just before the latest fiscal year, or their parent companies, or their significant subsidiaries, or any other companies (in case of business partners being incorporated).
 - (5) Those who are appointed or holding the position of deputy directors (only who engage in operations) or other performers of duties (i.e. directors or employees, the same applies hereinafter) of organizations (e.g. public interest incorporated foundation, public interest incorporated association and NPO etc.) which received more than the specified amount of contribution or subsidy (the amount of whichever larger, average 10 million yen for the past three fiscal years, or 30% of average annual total cost of the applicable organization) from the Company or its subsidiary.
5. With respect to the eligibility for an Independent Director of the Company, directors, auditors, accounting advisors, executive directors or executive officers of companies or their subsidiaries which employ directors (regardless of full-time or part-time) from the Company or its subsidiaries, shall be excluded from the eligibility criteria.
 6. To be eligible for Independent Directors of the Company, individuals or entities shall not fall into any of the following:
 - (1) Those who are appointed or holding the position of directors, auditors, accounting advisors, corporate officers, executive officers or managers, or any other employees of financial institutions and any other large creditors (hereinafter referred to as "Large Creditors") which are regarded as crucial, to the extent that no other means are available for the funding opportunity of the Company or its subsidiary, or of their parent companies or significant subsidiaries.
 - (2) Those who are appointed or holding the position of directors, auditors, accounting advisors, corporate officers, executive officers, or managers or any other employees of Large Creditors or their parent companies or significant subsidiaries for the last three years.

7. To be eligible for Independent Directors of the Company, individuals or entities shall not fall into any of the following:
- (1) Those who are the Company's or its subsidiary's current accounting auditors, accounting advisors/certified public accountant (or licensed tax accountant) or employees, partners of audit corporations (or tax accountants' corporation).
 - (2) Those who are appointed or holding the position of accounting auditors, accounting advisors/certified public accountant (or licensed tax accountant) of the Company or its subsidiary or employees for the last three years, and partners (including retired persons) in audit corporations (or tax accountants' corporation) who actually engaged in duties of auditing (excluding supportive role) for the Company or its subsidiary.
 - (3) Those who are lawyers, certified public accountants or licensed tax accountants, or other consultants who are all not applicable to the above (1) or (2) and concurrently who have received money or other financial benefit worth over 10 million yen on the annual average other than remuneration for the last three years from the Company or its subsidiary.
 - (4) Those who are employees, partners or associates of law firms, audit corporations, tax accountants' corporation or consulting firms, and other professional advisory firms (which have received payment worth over 2% out of the total consolidated sales on the average for the past three fiscal years from the Company or its subsidiary, the same applies hereinafter) not applicable to the above (1) or (2).
8. To be eligible for Independent Directors of the Company, individuals or entities shall not fall into any of the following:
- (1) Those who are spouses or relatives under the second degree or relatives living together of directors, corporate officers, executive officers, or managers or any other key employees of the Company or its subsidiary
 - (2) Those who are spouses or relatives under the second degree, or relatives living together with directors, corporate officers, executive officers or managers, or any other key employees who worked for the Company or its subsidiary for the last five years.
 - (3) Those who are spouses or relatives under the second degree, or relatives living together with our current Principal Shareholders or directors, auditors, accounting advisors, corporate officers, deputy directors, or executive officers.
 - (4) Those who are spouses or relatives under the second degree, or relatives living together with our current Principal Shareholders or directors, auditors, accounting advisors, corporate officers, deputy directors, or executive officers who are involved in or have worked for the Company or its subsidiary for the last five years.
 - (5) Those who are spouses or relatives under the second degree, or relatives living together with directors, auditors, accounting advisors, corporate officers or executive officers of companies with which the Company or its subsidiary are currently Principal Shareholders.
 - (6) Those who are spouses or relatives under the second degree, or relatives living together with individuals who trade mainly with the Company or its subsidiary, or spouses or relatives under the second degree, or relatives living together with directors, corporate officers or executive officers of companies which trade mainly with the Company or its subsidiary.

- (7) Those who are spouses or relatives under the second degree, or relatives living together with individuals who traded mainly with the Company or its subsidiary in any of the last three fiscal years, or spouses or relatives under the second degree, or relatives living together with directors, corporate officers or executive officers of companies which traded mainly with the Company or its subsidiary in any of the last three fiscal years.
- (8) Those who are spouses or relatives under the second degree, or relatives living together of business partners (individuals) with whom the Company or its subsidiary mainly trade, or spouses or relatives under the second degree, or relatives living together with directors, corporate officers or executive officers of companies with which the Company or its subsidiary mainly trade.
- (9) Those who are spouses or relatives under the second degree, or relatives living together of individuals who traded mainly with the Company or its subsidiary in any of the last three fiscal years, or spouses or relatives under the second degree, or relatives living together with directors, corporate officers or executive officers of companies with which the Company or its subsidiary traded in any of the last three fiscal years.
- (10) Those who are spouses or relatives under the second degree, or relatives living together with deputy directors (only who engage in operations) or other performers of duties of organizations (e.g. public interest incorporated foundation, public interest incorporated association and NPO, etc.) which received more than the specified amount of contribution or subsidy (the amount of whichever larger than the annual average of 10 million yen for the past three fiscal years, or 30% of the average annual total cost of the applicable organization) from the Company or its subsidiary.
- (11) Those who are spouses or relatives under the second degree, or relatives living together with directors, auditors, accounting advisors, corporate officers or executive officers of current Large Creditors for the Company or its subsidiary.
- (12) Those who are spouses or relatives under the second degree, or relatives living together with directors, auditors, accounting advisors, corporate officers, executive officers who worked for current Large Creditors for the last three years for the Company or its subsidiary.
- (13) That correspond to persons whose spouses or relatives under the second degree, or relatives living together with our employees, or partners of the Company's or its subsidiary's auditors, accounting advisors/certified public accountant (or licensed tax accountant), or audit corporations (or tax accountants' corporation).
- (14) That correspond to persons whose spouses or relatives under the second degree, or relatives living together with our employees, or the Company's or its subsidiary's auditors, accounting advisors/certified public accountant (or licensed tax accountant), or audit corporations (or tax accountants' corporation) and engage in the actual duties (excluding supportive role) of auditing for the Company or its subsidiary.
- (15) That correspond to persons whose spouses or relatives under the second degree, or relatives living together with our employees, or partners of the Company's or its subsidiary's auditors, accounting advisors/certified public accountant (or licensed tax accountant), or audit corporations (or tax accountants' corporation) and engaged in the actual duties (excluding supportive role) of auditing for the Company or its subsidiary for the last three years.

- (16) That correspond to persons whose spouses or relatives under the second degree, or relatives living together with lawyers, certified public accountants or licensed tax accountants, or other consultants who are all not applicable to (1) or (2) of Clause 8 as stated above and concurrently who have received money or other financial benefit worth over 10 million yen on the annual average other than the remuneration for the last three years from the Company or its subsidiary. Also, that correspond to persons whose spouses or relatives under the second degree, or relatives living together with employees or partners of law firms, audit corporations, tax accountants' corporation or consulting firms, and other professional advisory firms not applicable to (1) or (2) of Clause 8 as stated above which trade mainly with the Company or its subsidiary.
9. The eligibility of an Independent Director requires individuals not to be possibly in actual and constant conflict of interest for other reasons in addition to matters implied in Clause 1 to 8 with respect to the relationship with the general shareholders of the Company.
10. Even if a person applies to any of Clause 3 to 8 and the Company considers such person suitable for our Independent Director in light of his or her personality, insight, etc., the Company may appoint him or her as our Independent Director, provided that the Company shall express externally that such person meets the requirements of the eligibility for outside directors stipulated in Company Law and shall justify the reason as to why such person is suitable for the position of an Independent Director of the Company.
11. The reappointment of the current Independent Director requires that the total term as Independent Director should not exceed ten years.