

Standards for Consideration of Independence of Independent Directors

The Company considers outside directors who meet the following requirements to be independent officers who are not likely to have any conflicts of interest with the general shareholders.

1. The outside officers do not presently fall, nor have they during the past three years fallen, into the following categories:
 - (1) A main customer^{*1} of the Company or any person who executes the business of such a customer ("business executor");
 - (2) A business operator of which the Company is a main customer^{*2} or a business executor of such a business operator;
 - (3) A main lender to the Company^{*3} or a business executor of such a lender;
 - (4) A legal expert, a certified public accountant, or a consultant, who receives from the Company a large amount of fees, other than compensation for officers^{*4} (where the person who receives such fees is a corporation, an association, or any other body, then a legal expert, a certified public accountant, or a consultant who belongs thereto);
 - (5) The Company's accounting auditor or a certified public accountant who belongs to an auditing firm that is the Company's accounting auditor;
 - (6) A person who receives a large donation from the Company^{*5} (where the person who receives such a donation is a corporation, an association, or any other body, then a person who runs the business thereof); or
 - (7) One of the Company's major shareholders^{*6} or a business executor of such a shareholder.
2. None of the relatives within the second degree of kinship of an outside officer presently falls, nor have any of them during the past three years fallen, into the following categories (excluding those who are not material):
 - (1) A business executor of the Company or a subsidiary of the Company; or
 - (2) A person who falls into the categories of 1. (1) through 1. (7) above.

*1 A customer to which the Company and its Principal Operating Companies' total amount of net sales in any of the latest three business years has exceeded 2% of the Company's consolidated net sales.

*2 A business operator whose total amount of net sales to the Company and its Principal Operating Companies in any of the latest three business years has exceeded 2% of the business operator's consolidated net sales.

*3 A lender to which the amount of the Company's loans payable on a consolidated basis as of the last day of any of the latest three business years has exceeded 2% of the consolidated total assets of the Company.

*4 A person who receives fees from the Company and its Principal Operating Companies, the total amount of which has exceeded ¥10 million in any of the latest three business years. Where a person who receives such fees is a corporation, an association, or any other body, this provision refers to the person who belongs to the body which receives fees from the Company and its Principal Operating Companies, the total amount of which has exceeded 2% of the total net sales or revenue of the body in any of the latest three business years.

*5 A beneficiary who receives a donation from the Company and its Principal Operating Companies,

the total amount of which has exceeded 2% of the total revenue of the beneficiary in any of the latest three business years.

*6 A person who holds 10% or more of the total votes of the Company.