

Appendix 1

[Standards for Independence of Independent Officers]

Nissha Co., Ltd. (hereinafter, the “Company”) will determine that its Independent Outside Directors of the Board and Independent Audit & Supervisory Board Members (hereinafter, collectively, “Independent Officers”) or candidates for Independent Officers are fully independent from the Company when they do not correspond to any of the criteria prescribed hereunder.

1. Persons who are or were executive persons (*) of the Company and its affiliated companies (hereinafter, collectively, the “Group”). In addition, with Independent Audit & Supervisory Board Members, persons who were directors that did not conduct Group business.
(*) An executive person means the executive person prescribed in Article 2, Paragraph 3 (6) of the Companies Act Enforcement Regulations, and includes not only executive directors but also employees, and does not include audit & supervisory board members.
2. Persons who are counterparties which have transactions principally with the Group, or are their executive persons. In addition, principal counterparties of the Group, or their executive persons.
(*) A principal counterparty means a company or person whose payments or receipts for transactions with the Group in the current or any of the past three fiscal years represents 2% or more of the annual consolidated gross sales of the Group or the counterparty.
3. Principal shareholder (*) of the Group or their executive persons. In addition, executive persons of companies in which the Group is a principal shareholder.
(*) A principal shareholder means a shareholder that holds votes representing 10% or more of total voting rights.
4. Attorneys, certified public accountants, consultants or the like who receive large amounts of cash or other assets (*) other than officer remuneration from the Group (if the entity receiving the assets is a corporation, partnership or other group, then persons belonging to that group).
(*) A large amount of cash or other assets means the earning of cash or other property benefits in excess of JPY 10 million per year as an average of the past three fiscal years. In the case of a group, it means the payment of 2% or more of annual consolidated gross sales in each of the preceding three fiscal years inclusive of the most recent fiscal year.
5. Persons receiving large donations (*) from the Group (if the entity receiving the property is a corporation, partnership or other group, the executive persons of that group).
(*) A large donation means an annual donation of more than JPY 10 million in each of the preceding three fiscal years inclusive of the most recent fiscal year.
6. Executive persons of another company having mutual appointment of Independent Officer (*) relationships with the Group.
(*) A mutual appointment of Independent Officers means the Company’s welcoming of Independent Officers from another company that have received Independent Officers, who are/were executive persons of the Group within the past 10 years, or from its parent or subsidiary companies.
7. Persons belonging to the auditing firm serving as the Group’s Accounting Auditor.
8. Persons who have corresponded to items 2 through 7 above within the past three years.
9. Spouses or relatives within two degrees of kinship of persons (limited to key personnel (*)) corresponding to any of items 1 through 8 above.
(*) Key personnel means (1) directors, (excluding Independent Outside Directors of the Board), executive officers, and employees holding a position of senior director or higher, (2) certified public

accountants belonging to an auditing firm who are partners, and attorneys belonging to a law office, and (3) persons affiliated with incorporated foundations, incorporated associations, incorporated educational institutions and other corporations who are objectively and reasonably determined to be councilors, directors, auditors or other officers, or persons having equal importance.

10. Persons in circumstances which are otherwise objectively and reasonably found unsuitable for the duties of an Independent Officer.

Enacted on October 30, 2015
Revised on February 14, 2018

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