

## NISSHA CO., LTD. CORPORATE GOVERNANCE POLICY

### Section I Basic Views on Corporate Governance

#### I Introduction

Under its Corporate Governance Policy (hereinafter, the “Policy”), Nissha Co., Ltd. (hereinafter, the “Company”) presents its basic views, framework and operation policy for corporate governance at the Company and its affiliated companies (hereinafter, collectively, the “Group”).

#### II Basic Views

The Company, since its foundation, has been executing strategies that promptly address external challenges, under committed leadership. The Company believes that strengthening corporate governance along with such leadership will promote agile and decisive decision making, as well as ensuring management transparency and fairness. Based on this recognition, the Company places corporate governance as one of the key management issues, strives to maintain and improve it, and seek out sustainable corporate growth and an increase in corporate value over the medium- to long-term.

#### Nissha Philosophy (Corporate Philosophy)

## MISSION

We realize the enrichment of people's lives by creating technology and developing it into economic and social value through the diverse capabilities, passion, and leadership of the global Nissha Group.

私たちは世界に広がる多様な人材能力と情熱を結集し、継続的な技術の創出と経済・社会価値への展開を通して、人々の豊かな生活を実現します。

### BRAND STATEMENT

### EMPOWERING YOUR VISION

“Empowering Your Vision” expresses the relationship of Co-existence between Nissha and our stakeholders. Both we and our customers, shareholders, employees, suppliers, and society have visions, and we mutually affect each other toward realizing it. We maximize our capabilities driven by our Technology, Passion, and Leadership, and with the energy infused in us by our stakeholders, together create value for the future.

“Empowering Your Vision”は、私たちとお客さま、株主、社員、サプライヤー、地域社会などのステークホルダーが、それぞれに抱えているビジョンの実現に向けて、双方向に影響しあう共生の関係をあらわしています。私たちは、技術と情熱、リーダーシップを原動力に、能力を最大限に発揮し、同時にまたステークホルダーから活力を得て、ともに価値ある未来を創出していきます。

### SHARED VALUES

#### CUSTOMER IS OUR PRIORITY

We are committed to maximizing customer value.  
私たちは、お客さま価値の最大化を追求します。

#### DIVERSITY AND INCLUSION

We welcome diverse capabilities interacting as equals and enhancing our organizational performance.  
私たちは、多様な人材能力が対等に関わり合うことにより、組織の実行力を高めます。

#### COMMITMENT TO RESULTS

We work with diligence and deliver results.  
私たちは、成果を出すことにこだわります。

#### DONE IS BETTER THAN PERFECT

We take actions first rather than sacrificing time value for perfection.  
私たちは、失敗を恐れず、まず行動することを重視します。

#### ACT WITH INTEGRITY

We act with integrity and maintain the trust placed in us.  
私たちは、誠実に行動し、信頼される企業であり続けます。

## **Section II    Securing Rights and Equal Treatment of Shareholders and Dialogue with Shareholders**

### **I    Securing Rights and Equal Treatment of Shareholders**

1. The Company establishes an environment in which shareholders are able to appropriately exercise their voting rights at general meetings of shareholders.
2. The Board of Directors acts to grasp the results of voting at general meetings of shareholders. When a considerable number of votes have been cast against a proposal by the Company and the proposal has been approved, the Board will analyze the reasons behind opposing votes and will make effective use of analytic findings to facilitate disclosure of information and shareholder dialogue.
3. Fundamentally, the Company will convene a General Meeting of Shareholders on a schedule that avoids days on which a majority of other companies hold their shareholders meetings, and will issue notice of the convocation of a General Meeting of Shareholders by no later than three (3) weeks prior to the meeting date in order to ensure that shareholders have sufficient time to consider the agenda. Prior to issuance of the notice, the content of the notice of the convocation shall be disclosed in Japanese and English on the Company's website, securities exchanges and the Electronic Voting Platform.

### **II    Basic Strategy for Capital Policy**

1. In an effort to increase sustainable corporate value, the Company's basic strategy for capital policy is to ensure an appropriate balance between the pursuit of capital efficiency and the maintenance and improvement of fiscal soundness. "Return on Equity (ROE)", "Return on Invested Capital (ROIC)" and "Equity Ratio" values will be established and published as management control indexes therefor.
2. Based on the basic strategy for capital policy, fundamentally the Company will continue to provide stable dividends for profit sharing, and will give comprehensive consideration to business performance trends, dividend payout ratios, fiscal soundness and the like in making distributions. In addition, the basic strategy regarding internal reserves is the effective utilization of reserves centering on investment in growth, and research and development to increase corporate value over the medium- to long-term.
3. In the event the Company implements a capital policy which results in a change of control or significant dilution, the Board of Directors will pass a resolution after hearing the objective opinions of experts and otherwise engaging in sufficient deliberation concerning the necessity and rationale thereof from the perspective of increased corporate value, and will provide a sufficient explanation to shareholders and investors.

### **III    Strategic Shareholdings**

1. The Company believes that building relationships of trust with a wide range of customers, suppliers, financial institutions, local communities and others is essential, and holds shares of stock of the enterprises determined necessary for the purpose of increasing sustainable corporate value. In addition, a careful examination will be conducted on the profitability of each holding based on the Company's capital costs to validate the significance and rational of each holding from a medium- to long-term perspective, and a report on the significance and rational of its holdings will be provided to the Board of Directors annually. As a result of such examination, the shares of stock with diluted significance and rational will be gradually reduced while taking into consideration the effect on the market and other factors. A summary of the details of the examination will be disclosed.
2. A standard for the exercising of voting rights will be established from a perspective of increasing the medium- to long-term corporate value of the enterprise and the Company, and a determination on the exercise of voting rights related to strategic shareholdings in favor or against a proposal will be made by the Director of the Board in charge of financial affairs. This may result in a vote against a proposal.

## IV Policy for Constructive Dialogue with Shareholders

The Company strives to contribute to its sustainable growth and increase corporate value over the medium-to long-term through constructive dialogue with shareholders. In addition, as an IR policy, the Company establishes and discloses policies concerning the organizational structures and measures aimed at promoting constructive dialogue with shareholders.

The IR Policy is disclosed at the following website.  
<https://www.nissha.com/english/ir/disclosure.html>

## Section III Appropriate Cooperation with Stakeholders Other than Shareholders

### I Relationship with Stakeholders

The Group recognizes that its sustainable growth and the creation of medium- to long-term corporate value are brought about as the result of cooperation with stakeholders, including customers, shareholders, employees, suppliers and local communities, and the Group endeavors to build a relationship of trust with these stakeholders.

1. Nissha Philosophy (corporate philosophy)  
The Group establishes and internally disseminates a Nissha Philosophy set on Mission, as a universal means for demonstrating our mission, standards of thought and rules of conduct.

The details of the Nissha Philosophy are disclosed at the following website.  
<https://www.nissha.com/english/company/philosophy.html>

2. Formation of Medium-Term Business Plan  
The Group establishes a three-year Medium-Term Business Plan and will state its medium-term vision in an effort to further increase corporate value.
3. Response to Sustainability  
The Company believes that the main focus of sustainability is to survive in the long term by implementing its growth strategies in an effort to continue to provide value to society. As such, the Company regards the creation of goods and services which contribute to solving social issues as well as the mitigation of the environmental and social risks produced in business activities as important responsibilities. IT, medical devices, mobility (automobiles) and sustainable packaging materials with their expected stable and continued growth have been established as key markets in the Medium-Term Business Plan, and efforts will be made to provide goods and services which contribute to solving social issues and to grasp and mitigate environmental and social risks through the activities of the seven subcommittees under the auspices of the Sustainability Committee.

Sustainability efforts including social and environmental problems, diversity and other issues are disclosed at the following website.  
<https://www.nissha.com/english/sustainability/index.html>

4. Implementation of Corporate Ethics and Compliance, and Whistleblowing Program  
The Group establishes and publishes a Guideline of the Corporate Ethics and Compliance and a Corporate Ethics and Code of Conduct based on “Nissha Philosophy (corporate philosophy)” . which show group-wide mission and standards of thought to facilitate compliance with legal and

social ethics from a global perspective, and makes these widely known in house by distributing booklets to officers and employees. In addition, the Company establishes and operates a point of contact for whistleblowing where employees and others can provide direct information at an outside law firm.

Details on the Corporate Ethics and Compliance and the whistleblowing program are disclosed at the following websites.

- Corporate Ethics and Compliance
- Whistleblowing Program (Hotline)

<https://www.nissha.com/english/sustainability/governance.html>

#### 5. Fulfilling the Function as Corporate Pension Asset Owner

The Company will delegate its corporate pension to a life insurance company, trust bank or other investment manager that is determined to appropriately carry out its responsibilities as a delegatee (including stewardship activities), and will establish a division to oversee the management of this investment manager. This oversight division will receive regular reports from the investment manager, it will confirm whether the investment goals have been adequately attained, whether the composition of assets has been subjected to review as needed, whether conflicts of interest have been properly managed, whether appropriate actions have been taken with regard to the exercise of voting rights, and the like, and will provide a report to the Board of Directors annually.

## Section IV Ensuring Appropriate Information Disclosure and Transparency

### I Ensuring Appropriate Information Disclosure and Transparency

The Company discloses financial information, and non-financial information on business strategies, business plans, risk, governance and the like in a timely and appropriate manner in compliance with the relevant laws and regulations, and discloses other information considered necessary for stakeholders in a fair, timely and appropriate manner. In addition, a Disclosure Control Committee is established to deliberate the necessity of timely disclosure of information and the details of the disclosure.

Nissha Philosophy (corporate philosophy), Medium-Term Business Plan, integrated report and IR policy are disclosed at the following websites.

- Nissha Philosophy

<https://www.nissha.com/english/company/philosophy.html>

- Integrated Report

<https://www.nissha.com/english/ir/library/nisshareport.html>

- IR Policy

<https://www.nissha.com/english/ir/disclosure.html>

## **Section V Responsibilities of the Board of Directors**

### **Sub-Section I Overview of Corporate Governance Structure**

#### **I Overview of Corporate Governance Structure**

1. The Company makes major business judgments and oversee the execution of the business of the Directors of the Board in meetings of the Board of Directors, and as a company with an Audit and Supervisory Board, strives to maintain and improve the oversight and checking functions by Audit and Supervisory Board Members and the Audit and Supervisory Board which are independent from the Board of Directors.
2. The Company adopts a corporate officer system in an effort to clarify the powers and authority in speedy decision making and the implementation of decisions, under which the Board of Directors is in charge of the formulation of strategies and business oversight, and the Corporate Officers is in charge of the execution of business.
3. The Company establishes a Nomination and Compensation Committee as an advisory panel for the Board of Directors in order to ensure the objectiveness and fairness of the appointment/dismissal of Directors of the Board and the appointment of Audit and Supervisory Board Members, as well as the compensation of the Directors of the Board.

### **Sub-Section II Directors of the Board and the Board of Directors**

#### **I Roles and Responsibilities of Directors of the Board and the Board of Directors**

1. The Company will build a system which will enable the Board of Directors to make decisions regarding the distribution of surpluses, the acquisition of treasury stock and other matters to be decided by general meetings of shareholders in order to ensure maneuverability and expertise in business judgment.
2. The Board of Directors will make decisions on the important matters prescribed by laws and regulations, articles of incorporation, and the Regulations of the Board of Directors, and will oversee the execution of business by the Directors of the Board and Corporate Officers.
3. In an effort to hasten and strengthen the business execution function, the Board of Directors is entitled to delegate decision making on the execution of business with the Directors of the Board or Corporate Officers in accordance with laws and regulations, articles of incorporation, and the Regulations of the Board of Directors. The scope and content of the matters delegated to the Directors of the Board or Corporate Officers will be specified by resolution of the Board of Directors.
4. With due attention to their fiduciary responsibilities to shareholders, the Directors of the Board seek out sustainable corporate growth and an increase in corporate value over the medium- to long-term.
5. Independent Outside Directors of the Board utilize their extensive knowledge and experience to provide expert and objective advice on the Company's business from an independent position, and monitor management by making of important decisions on the Board of Directors. In addition, Independent Outside Directors of the Board monitor conflicts of interest between the Company and the Directors of the Board from an independent position, and see that the opinions of stakeholders are appropriately reflected in the Board of Directors.

#### **II Succession Plan for the Chairman of the Board, President and CEO**

1. The Company believes that its Chairman of the Board, President and CEO and other key management members should be people who will commit to management from a long-term view, respect the Company's culture, are sensitive to changes in the business environment and demonstrate strong leadership in the realization of the targeted management vision in order that the Company is able to facilitate continued growth and to continue to improve corporate value over the medium- to long-term. Accordingly, a succession plan is slated to be drawn up by the Chairman of the Board, President and CEO who has the responsibility to put the plan into practice.

2. The Chairman of the Board, President and CEO will provide an explanation of a succession plan encompassing the qualities and selection standard required of key management members, the selected candidates and the evaluation thereof, and training plan and the status thereof and other factors to the Nomination and Compensation Committee which is comprised of a majority and chaired by Independent Outside Directors of the Board, and the Independent Outside Directors of the Board will provide advise as needed. In the selection of a successor, the Chairman of the Board, President and CEO will nominate a candidate who will be reported to the Board of Directors after deliberation by the Nomination and Compensation Committee, and the Board of Directors will make a decision on the successor after receiving this report. The involvement of the Independent Outside Directors of the Board in this process will heighten the effectiveness of this plan and will ensure objectiveness and fairness in the selection of a successor.
3. Furthermore, in preparation for the occurrence of unforeseen events, the Company will establish an order for acting conveners and chairpersons at its General Meeting of Shareholders and meetings of the Board of Directors, and this acting order will be finalized each year at the meeting of the Board of Directors following the General Meeting of Shareholders.

### **III Policy on Composition of the Board of Directors and Appointment/Dismissal of Directors of the Board**

1. Composition
  - The Company will have an appropriate number of the Directors of the Board which not exceeding 12 persons.
  - The Board of Directors will take into consideration the balance between the knowledge, experience, skills of the Directors of the Board as well as its diversity in order to perform its role for important business judgements and the oversight of business execution of the Directors of the Board and Corporate Officers.
  - The Company will have multiple Independent Outside Directors of the Board who are not only satisfy the requirements of independent outside director of the board prescribed in the Companies Act but also the Standards for Independence of Independent Officers prescribed by the Board of Directors.
2. Appointment and Dismissal
  - The Board of Directors will make decisions on proposals for the appointment/dismissal of the Directors of the Board deliberated at General Meeting of Shareholders, based on the reports of the Nomination and Compensation Committee.
  - In the appointment/dismissal of the Directors of the Board, a candidate's career history, status of major concurrent service, reasons for appointment/dismissal and the like will be stated in the notice of the convocation of a General Meeting of Shareholders.

### **IV Efforts to Improve Effectiveness of the Board of Directors**

1. System for Provision of Information and Coordination
  - With the aim of qualitatively improving the deliberations of the Board of Directors, the Company will deliver in advance to the Directors of the Board and Audit and Supervisory Board Members a meeting agenda and materials related to the proposals before the Board of Directors, and will provide the Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members with an advance explanation concerning proposals centering on important issues.
  - The Company regularly conducts meetings between the Chairman of the Board, President and CEO and the Independent Outside Directors of the Board, and when needed, will establish meetings comprised of the Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members in an effort to exchange information and share awareness.

- The secretariat of the Board of Directors will annually provide the Directors of the Board and Audit and Supervisory Board Members with notice establishing the scheduled meeting dates for the Board of Directors over the next 12 months in September.
2. Evaluation of Effectiveness of the Board of Directors  
Each year, the Board of Directors will analyze and evaluate the composition, operation, effectiveness and the like of the Board of Directors, and will disclose a summary of the results thereof.

## **V Ban on Transactions against the Interests of Shareholders**

The Company will confirm an investigation into the existence of any transactions between the Company and related parties such as the Directors of the Board and Audit and Supervisory Board Members, Corporate Officers, and their relatives, and if any material facts exist, they will be resolved by the Board of Directors, which will make a decision after duly deliberating the reasonableness of the transaction. In addition, the Company must obtain the approval of the Board of Directors when engaging in conflict of interest transactions as prescribed by laws and regulations with the Directors of the Board.

## **Sub-Section III Roles and Responsibilities of Audit and Supervisory Board Members and the Audit and Supervisory Board**

### **I Roles and Responsibilities of Audit and Supervisory Board Members and the Audit and Supervisory Board**

1. The Audit and Supervisory Board Members and Audit and Supervisory Board will bear in mind their fiduciary responsibilities to shareholders, and will make appropriate judgments from independent and objective standpoints when auditing the execution of business by the Directors of the Board and Corporate Officers, and when exercising authority related to the appointment and dismissal of the Accounting Auditor, and to the determination of the Accounting Auditor's compensation.
2. The Audit and Supervisory Board, in coordination with the Accounting Auditor, will engage in the following in order to secure a system where full and appropriate audits are performed:
  - The Audit and Supervisory Board will establish standards for the evaluation of the Accounting Auditor;
  - The Audit and Supervisory Board will request reports on the independence, expertise and quality control system of the Accounting Auditor;
  - The Audit and Supervisory Board will confirm the accuracy of an audit through regular communications with the Accounting Auditor;
  - The Audit and Supervisory Board will receive reports on the Accounting Auditor's compensation and the like from the competent internal division, and confirm the validity of its amounts.

### **II Policy on Composition of the Audit and Supervisory Board and Appointment of Audit and Supervisory Board Members**

1. Composition
  - The Audit and Supervisory Board will appropriately consist of no more than 4 persons in terms of their knowledge and the like related to financial matters, accounting, legal issues and the like.
  - Independent Audit and Supervisory Board Members will make up at least half of the Audit and Supervisory Board, and will be persons who not only satisfy the requirements of the Independent Audit and Supervisory Board Members prescribed in the Companies Act but also the Standards for the Independence of Independent Officers prescribed by the Board of Directors.
2. Appointment

- The Board of Directors will make decisions on proposals for the appointment of the Audit and Supervisory Board Members deliberated at general meetings of shareholders, based on the reports of the Nomination and Compensation Committee, and with the prior approval of the Audit and Supervisory Board.
- In the appointment of Audit and Supervisory Board Members, a candidate's career history, status of major concurrent service, reasons for appointment and the like will be stated in the notice of the convocation of a General Meeting of Shareholders.

## **Sub-Section IV Nomination and Compensation Committee**

### **I Composition**

1. The Company establishes a Nomination and Compensation Committee as an advisory panel for the Board of Directors in order to ensure the objectiveness and fairness of the appointment/dismissal of Directors of the Board and the appointment of Audit and Supervisory Board Members, as well as the compensation of the Directors of the Board.
2. A majority of the Nomination and Compensation Committee will be comprised of Independent Outside Directors of the Board, and the chairman will be selected from among the Independent Outside Directors of the Board.

### **II Role**

The Nomination and Compensation Committee will receive inquiries from the Board of Directors, and will deliberate and provide responses to the Board of Directors concerning the following matters:

- The appointment/dismissal standards for Directors of the Board and the appointment standards for Audit & Supervisory Board Members;
- Proposals for potential candidates for Directors of the Board and Audit and Supervisory Board Members and proposals for the dismissal of Directors of the Board;
- Proposals for the appointment/dismissal of the Chairman of the Board, Titled Directors and the CEO;
- Matters related to the succession plan for the Chairman of the Board and others;
- Policy on compensation of Directors of the Board; and,
- Compensation of Directors of the Board.

## **Section VI Officer Compensation**

### **I Policy for Determination of Compensation**

1. The Company will appropriately establish a compensation system for Directors of the Board and Audit and Supervisory Board Members based on their roles in the execution of business and management oversight to tie their compensation to the Group's continued growth and the improvement of corporate value over the medium- to long-term. Most importantly, the fundamental policy for the compensation of Directors of the Board who are charged with the execution of business will put in place a system which promotes value sharing with the shareholders and contributes to corporate performance and value.
2. Compensation of Directors of the Board who are charged with the execution of business will consist of base salary, bonuses and stock compensation. Base salary will be established as a base amount based on scale of an individual's role and their position. Bonuses are short-term performance related compensation taking into account annual results and so on, and will reflect the degree of achievement of the goals. Stock compensation are medium- to long-term performance related compensation, and will reflect the achievement of annual goals under the Medium-Term Business Plan and the like, and will promote awareness of one's contributions to the improvement of performance and the sustained growth in corporate value over the medium- to long-term. Compensation of Independent Outside Directors of the Board will not be linked to performance since they oversee management from a position independent from the execution of business, and

the Independent Outside Directors of the Board will only be paid base compensation determined based on the Independent Outside Director of the Board's career history, responsibilities and the like. Audit and Supervisory Board Members will only be paid base compensation since they are charged with the auditing of the overall Group.

## **II Procedures**

1. A report on the policy on compensation of Directors of the Board, compensation system and framework for linking compensation to performance will be reported the Board of Directors after deliberation by the Nomination and Compensation Committee, and the Board of Directors will make a decision once this report is received.
2. The Chairman of the Board, President and CEO will prepare a draft plan for the amount of compensation of Directors of the Board within the compensation framework determined at a General Meeting of Shareholders and in accordance with the predetermined calculation method, and this will be reported to the Board of Directors after deliberation by the Nomination and Compensation Committee, and the Board of Directors will make a decision after receiving this report.
3. Compensation of Audit and Supervisory Board Members will be determined by mutual consultation of the Audit and Supervisory Board Members within the compensation framework determined at a General Meeting of Shareholders.

## **Section VII Training**

### **I Policy for Training of Officers**

The Company establishes the following opportunities as needed to facilitate the appropriate performance of the roles and responsibilities required for each Director of the Board and Audit and Supervisory Board Member:

1. Provide training opportunities suitable to each Director of the Board and Audit and Supervisory Board Member, and bear the associated expenses;
2. Upon new appointment, provide Directors of the Board and Audit and Supervisory Board Members with the training and information to learn the knowledge required to perform their duties. Even after one's appointment, provide training as needed concerning revised laws and business issues;
3. Inspection of key locations and the like when Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members are newly appointed;
4. Provide Directors of the Board and Audit and Supervisory Board Members with regular explanations of the Group's business, financial and organizational status.

### **Supplementary Rules**

Article 1 This Policy will be enacted, revised and abolished by resolution of the Board of Directors.

This Policy will take force from October 30, 2015.

This Policy will be revised on and take force from April 17, 2017.

This Policy will be revised on October 19, 2018, and it will take force from October 31, 2018.

This Policy will be revised on and will take force from January 1, 2020.

## 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 and 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 and 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 and 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 compensation 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), corporate officers and employees holding a high ranking of management 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

End