

Independence Criteria of Outside Executive Officers

The Board of Directors of the Company shall recognize an Outside Board Member (note 1) and an Outside Audit & Supervisory Board Member (note 2) (hereinafter “Outside Executive (s)”) to be independent if he or she does not meet any of the standards listed below.

Note:

1. “Outside Board Member” denotes an Outside Director, pursuant to Article 2, item xv of the Companies Act.
2. “Outside Audit & Supervisory Board Member” denotes an Outside Company Auditor, pursuant to Article 2, item xvi of the Companies Act.

1. A person for whom the Company or the Company’s consolidated subsidiaries (hereinafter the “Nissui Group”) is a major business partner (client) (note 1) or a person engaged in business execution (note 2) thereof

Note:

1. “A person for whom the Nissui Group is a major business partner (client) denotes a person who has received payment equivalent to 2% or more of the consolidated net sales of that person from the Nissui Group in the past three fiscal years.
2. “A person engaged in business execution” denotes an executive managing director, executive director, Executive officer or manager or other employees (hereinafter the same shall apply).

2. A person who is a major business partner (client) of the Nissui Group (note) or a person engaged in business execution thereof

Note: “A person who is a major business partner (client) of the Nissui Group” denotes a person who has made payment equivalent to 2% or more of the consolidated net sales of the Company to the Nissui Group in the past three fiscal years.

3. A consultant, an accounting professional or a legal professional compensated by the Nissui Group with large amounts of money or other financial benefits other than as executive compensation (note) (If these benefits are received by an incorporated entity, union or association, then a person who belongs to such organization)

Note: “Compensated by the Nissui Group with large amounts of money or other financial benefits other than as executive compensation” denotes being compensated with money or other financial benefits (other than as executive compensations) by the Nissui Group in amounts on average for the past three fiscal years,

in excess of ¥10 million per year, in the case of individuals; and the higher of 2% of net sales/total income of the organization and ¥10 million, in the case of organizations to which the professional belongs.

4. A person engaged in business execution of a company, in cases where the Executive Board Member or Standing Audit & Supervisory Board Member of the Nissui Group serves as an outside officer of the said company

5. A person who belongs or who has belonged in the past to an organization receiving large amounts of donations (note) from the Nissui Group

Note: "Large amounts of donations" denotes donations in excess of ¥10 million per year on average for the past three fiscal years.

6. A spouse or close relative within the second degree of kinship of the following persons (Limited to persons in important positions)

(1) Persons who fall under items 1 through 5

(2) A person engaged in business execution of the Nissui Group