

Standards for the Independency of Outside Directors of Board

We consider to be independent those persons to whom none of the items listed below applies.

- (1) A person who is an executive of RYODEN or one of its subsidiaries (hereinafter referred to as the "RYODEN Group") or has been an executive of the RYODEN Group during the past decade
- (2) A person whose major business partner is the RYODEN Group or its executive
- (3) A major business partner of the RYODEN Group or its executive
- (4) A person who is an accounts auditor of the RYODEN Group or belongs thereto as an employee or similar
- (5) A consultant, accounting expert, or legal expert who receives a large amount of money or other sorts of assets in addition to executive remuneration from the RYODEN Group (if a person who receives any of the assets is an organization such as a corporation or association, this applies to any of those who belong to such organization)
- (6) A person who receives a donation in the form of a large amount of money or other sorts of assets from the RYODEN Group (if a person who receives such a donation is an organization such as a corporation or association, this applies to any of those who belong to such organization)
- (7) A major lender of the RYODEN Group or its executive
- (8) A major shareholder of RYODEN or its executive
- (9) An executive of a company in which the RYODEN Group is a major shareholder
- (10) A person to whom any of items (2) to (9) above has applied during the past three years
- (11) A spouse or relative within the second degree of consanguinity of a person to whom any of items (1) to (10) above applies (limited to important executives)
- (12) An executive at a company in which the outside director also serves as such

*1 "An executive" refers to an executive as stipulated in Article 2 Paragraph 3 Item 6 of the Ordinance for Enforcement of the Companies Act.

*2 "A person whose major business partner is the RYODEN Group" refers to a person who is a group of business partners (direct business partner and its parent company and subsidiaries as well as a corporate group consisting of the parent company's subsidiaries; this also applies to the following sections) that provides products and/or services to the RYODEN Group and whose amount of transactions with the RYODEN Group in the most recent business year exceeds 2% of the group's annual consolidated net sales.

*3 "A major business partner of the RYODEN Group" refers to a group of business partners to which the RYODEN Group provides products and/or services with the amount of its transactions with the group in the most recent business year exceeding 2% of its annual consolidated net sales.

*4 "Large amount of money and other sorts of assets" is the amount of money or other sorts of proprietary profit whose total value in the most recent business year exceeds ¥10 million and 2% of the person's total income in the most recent business year.

*5 "A major lender" refers to a lender whose name is included in the business report for the most recent business year as one of the major lenders.

*6 "A major shareholder" refers to a shareholder that holds 10% of voting rights or more (including indirect ownership) at the end of the most recent business year.

*7 "Important executives" refer to persons who are a director or an employee of general manager class or higher.

*8 Item (12) refers to a case in which an executive of the RYODEN Group serves as an outside director at another company and an executive of the company serves as an outside director of RYODEN.