

2-20-4 Nishigotanda, Shinagawa-ku, Tokyo , Japan  
PARK24 CO., LTD.

Koichi Nishikawa

President and Representative Director

(First Section of TSE; Code: 4666)

# **Notice of the 35<sup>th</sup> Annual General Meeting of Stockholders**

**PARK24 CO.,LTD.**

## Particulars

### **1. Date and Time:**

Thursday, January 30, 2020, at 10:00 a.m.

### **2. Venue:**

Hotel Grand Nikko Tokyo Daiba, Palais Royal on the first basement level, at 6-1, Daiba 2-chome, Minato-ku, Tokyo, Japan

### **3. Purpose of the Meeting:**

#### **Matters to be Reported**

- (1) Report on the Business Report, Consolidated Financial Statements, and the Audit Results of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors for the 35th Business Period (from November 1, 2018 to October 31, 2019)
- (2) Report on the Non-Consolidated Financial Statements for the 35th Business Period (from November 1, 2018 to October 31, 2019)

#### **Matters to be Resolved:**

**Proposal 1: Appropriation of Surplus**

**Proposal 2: Election of 7 Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members)**

**Proposal 3: Election of 3 Directors Who Serve as Audit and Supervisory Committee Members**

If any revisions are made to the Reference Documents for the Annual General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-Consolidated Financial Statements, they will be posted on the Company's website at <https://www.park24.co.jp/en/>.

**Proposal 1: Appropriation of Surplus**

The Company places priority on enhancing its corporate value through earnings growth. Its basic policy under this concept is to secure internal reserves as future investment funds and to return surplus funds to shareholders, primarily in the form of dividends.

Under this policy, the year-end dividend for the fiscal year ended October 31, 2019, will be 70 yen per share, taking into comprehensive consideration the internal reserves required for future business development and the Company's financial standing. The Company has also considered an increase in profit due to the steady expansion of the operation in the Parking Business in Japan and in car sharing services in the Mobility Business.

(1) Type of dividend property:  
Cash

(2) Allocation of dividend property and total amount thereof:  
70 yen per share of common stock of the Company  
Total amount of dividends: 10,811,224,620 yen

(3) Effective date of dividends from surplus:  
January 31, 2020

## **Proposal 2: Election of Seven (7) Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members)**

The terms of office of all of the five current directors will expire at the end of this Annual General Meeting of Shareholders. Accordingly, we propose an addition to Directors to further strengthen our management structure and the election of seven Directors (excluding Directors who serve as Audit and Supervisory Committee Members).

The selection of candidates for Directors was finalized by the Board of Directors by consulting with the Nomination and Compensation Committee (headed by an Outside Director and all members except the President and Representative Director are Outside Directors) to increase transparency and objectivity, taking into account the reports of committee.

Moreover, this proposal has been considered by the Audit and Supervisory Committee, but they have expressed no opinion.

The candidates for Directors (excluding Directors who serve as Audit and Supervisory Committee Members) are as follows.

### **[1] Koichi Nishikawa (Born October 13, 1964)**

Reappointed

Number of shares of the company held: 8,110,460 shares

### **Reasons for Selecting the Candidate for Director**

Mr. Koichi Nishikawa has been working in the parking business since joining PARK24 CO., LTD. in 1993, and after gaining experience in a variety of roles including as a general manager and director in sales and information systems, he assumed the office of President & Representative Director of PARK24 CO., LTD. in 2004. He has extensive experience in the parking and the mobility businesses as well as knowledge of corporate management in general and the Company proposes that he is reappointed as Director.

### **Career Summary, Position and Responsibilities and Important Concurrent Positions**

Apr 1989	Joined Amada Co., Ltd.
Nov 1993	Joined PARK24 CO., LTD.
Jan 1994	Assumed the office of Director of PARK24 CO., LTD.
Jan 1998	Assumed the office of Managing Director of PARK24 CO., LTD.
Nov 2000	Assumed the office of Representative Director of TIMES24 CO., LTD. (now TIMES SERVICE CO., LTD.)
Jun 2002	Assumed the office of President & Representative Director of Drivers Net Co., Ltd. (now TIMES COMMUNICATION CO., LTD.)
Jan 2004	Assumed the office of President & Representative Director of PARK24 CO., LTD. (incumbent)
Jun 2006	Assumed the office of President & Representative Director of Senju Co. Ltd. (incumbent)
Nov 2007	Assumed the office of Director of TIMES COMMUNICATION CO., LTD.
Mar 2009	Assumed the office of Chairman & Representative Director of MAZDA Car Rental Corp. (now TIMES MOBILITY CO., LTD.)
Dec 2010	Assumed the office of President & Representative Director of TIMES24 CO., LTD. (incumbent)
Mar 2011	Assumed the office of Chairman & Representative Director of Rescue Network Co., Ltd. (now TIMES COMMUNICATION CO., LTD.)
Feb 2018	Assumed the office of Director of National Car Parks Limited (incumbent)
Nov 2019	Assumed the office of Chairman & Representative Director of TIMES MOBILITY CO., LTD. (incumbent)

## **[2] Kenichi Sasaki (Born October 24, 1967)**

Reappointed

Number of shares of the company held: 163,616 shares

### **Reasons for Selecting the Candidate for Director**

Since joining PARK24 CO., LTD. in 1996, Mr. Kenichi Sasaki has worked in areas of the parking business that use his experience as a class-1 architect such the development business for large-scale parking facilities, and he has also worked as the general manager of corporate management divisions and the president of parking maintenance and contact center companies. He has knowledge of corporate management in general and the Company proposes that he is reappointed as Director.

### **Career Summary, Position and Responsibilities and Important Concurrent Positions**

Apr 1990	Joined Recruit Cosmos Co., Ltd. (now COSMOS INITIA Co., Ltd.)
Jul 1996	Joined PARK24 CO., LTD.
Jun 2002	Assumed the office of Director of Drivers Net Co., Ltd. (now TIMES COMMUNICATION CO., LTD.)
Nov 2005	Assumed the office of Corporate Officer of PARK24 CO., LTD.
Jan 2008	Assumed the office of Director of TIMES SERVICE CO., LTD.
Jan 2009	Assumed the office of Director of PARK24 CO., LTD. (incumbent)
Mar 2009	Assumed the office of Director of MAZDA Car Rental Corp. (now TIMES MOBILITY CO., LTD.)
May 2011	Assumed the office of General Manager of Corporate Planning Division, and General Manager of Planning Department of PARK24 CO., LTD. Assumed the office of Director & Managing Corporate Officer of TIMES24 CO., LTD.
Nov 2012	Assumed the office of Representative Director of TIMES SERVICE CO., LTD. Assumed the office of President & Representative Director of TIMES SERVICE CO., LTD.
Jan 2013	Assumed the office of Director of Times Rescue Co., Ltd. (now TIMES COMMUNICATION CO., LTD.)
Nov 2013	Assumed the office of President & Representative Director of TIMES COMMUNICATION CO., LTD.
Nov 2015	Assumed the office of General Manager of Planning & Administration Division, and General Manager of Planning Department of PARK24 CO., LTD. Assumed the office of Director of TIMES24 CO., LTD. Assumed the office of Chairman & Director of TIMES SERVICE CO., LTD. Assumed the office of Director of TIMES MOBILITY NETWORKS CO., LTD. (now TIMES MOBILITY CO., LTD.)
Jan 2017	Assumed the office of Director of Secure Parking Pty Ltd.(incumbent)
Aug 2017	Assumed the office of Director of National Car Parks Limited.(incumbent)
Nov 2017	Assumed the office of COO, General Manager of Corporate Planning Division, General Manager of Planning Department, and General Manager of New Business Planning Department, Corporate officer of TIMES24 CO., LTD.
Nov 2018	Assumed the office of Senior Corporate Officer, General Manager of Corporate Planning Division, and General Manager of Planning Department of PARK24 CO., LTD.
Nov 2019	Assumed the office of Senior Corporate Officer, General Manager of Corporate Planning Division of PARK24 CO., LTD. (incumbent) Assumed the office of Director & Corporate Officer of TIMES24 CO., LTD. (incumbent) Assumed the office of Vice president & Director of TIMES MOBILITY CO., LTD. (incumbent)

### **[3] Norifumi Kawakami (Born April 21, 1965)**

Reappointed

Number of shares of the company held: 131,600 shares

#### **Reasons for Selecting the Candidate for Director**

Since joining PARK24 CO., LTD. in 2003, Mr. Norifumi Kawakami has made use of his experience working at information systems and consulting companies to promote the use of information technology in the parking and mobility businesses and to serve as the general manager of information systems of the Group, using IT to build operating systems and improve business efficiency. He has knowledge of corporate management and information systems in general and the Company proposes that he is reappointed as Director.

#### **Career Summary, Position and Responsibilities and Important Concurrent Positions**

Mar 1986	Joined Fujitsu FIP Corporation.
Oct 1989	Joined Recruit Co., Ltd. (now Recruit Holdings Co., Ltd.)
May 1999	Joined A.T. Kearney K.K.
Oct 2003	Joined PARK24 CO., LTD.
May 2006	Assumed the office of Director of Drivers Net Co., Ltd. (now TIMES COMMUNICATION CO., LTD.)
Nov 2007	Assumed the office of Corporate officer of PARK24 CO., LTD.
Mar 2009	Assumed the office of Director & Corporate Officer of MAZDA Car Rental Corp. (now TIMES MOBILITY CO., LTD.)
Nov 2010	Assumed the office of General Manager of Business Development Division of PARK24 CO., LTD.
Mar 2011	Assumed the office of Director of Rescue Network Co., Ltd. (now TIMES COMMUNICATION CO., LTD.)
Jan 2013	Assumed the office of Director of PARK24 CO., LTD. (incumbent)
Nov 2013	Assumed the office of Director of TIMES SERVICE CO., LTD.
Nov 2014	Assumed the office of Director of TIMES24 CO., LTD. (incumbent)
Jan 2017	Assumed the office of Director of Secure Parking Pty Ltd.(incumbent)
Aug 2017	Assumed the office of Director of National Car Parks Limited.(incumbent)
Nov 2018	Assumed the office of Managing Corporate Officer and General Manager of Times Club Department of PARK24 CO., LTD.
Nov 2019	Assumed the office of Managing Corporate Officer of PARK24 CO., LTD. (incumbent)
	Assumed the office of President & Representative Director of TIMES MOBILITY CO., LTD. (incumbent)

**[4] Keisuke Kawasaki (Born September 23, 1965)**

Reappointed

Number of shares of the company held: 49,900 shares

**Reasons for Selecting the Candidate for Director**

Since joining PARK24 CO., LTD. in 2005, Mr. Keisuke Kawasaki has used his business experience in new business development and legal divisions, also serving as the general manager of business development at a group company. Since the Company joined mobility business in 2009, he has contributed to expanding this business. Mr. Kawasaki has knowledge of corporate management in general, and the Company proposes that he is reappointed as Director.

**Career Summary, Position and Responsibilities and Important Concurrent Positions**

Apr 1988	Joined Recruit Co., Ltd. (now Recruit Holdings Co., Ltd.)
Jan 2005	Joined PARK24 CO., LTD.
Mar 2009	Assumed the office of Director & Managing Corporate Officer of MAZDA Car Rental Corp. (now TIMES MOBILITY CO., LTD.)
Nov 2013	Assumed the office of President & Representative Director of TIMES MOBILITY CO., LTD.
Jan 2014	Assumed the office of Director of PARK24 CO., LTD. (incumbent)
Nov 2016	Assumed the office of Director of TIMES SERVICE CO., LTD. (incumbent) Assumed the office of Director of Times Rescue Co., Ltd. (now TIMES COMMUNICATION CO., LTD.)
Nov 2017	Assumed the office of Corporate Officer of PARK24 CO., LTD., General Manager of Corporate Administration Division (incumbent) and Director of TIMES24 CO., LTD. (incumbent)
Jan 2018	Assumed the office of President & Representative Director of PARK24 BUSINESS SUPPORT CO., LTD. (incumbent)
Nov 2019	Assumed the office of Director of TIMES COMMUNICATION CO., LTD. (incumbent) Assumed the office of Director of Secure Parking Pty Ltd (incumbent)

**[5] Shingo Yamanaka (Born September 26, 1963)**

Newly appointed

Number of shares of the company held: 10,000 shares

**Reasons for Selecting the Candidate for Director**

Since joining the company, Mr. Shingo Yamanaka has been engaged in the development and operation of parking facilities and has contributed to the growth and development of the Parking Business. As General Manager of the Group-wide Compliance Department, he has played a significant role in promoting and guiding the Company's compliance with laws and regulations. For these reasons, he is expected to further contribute to the improvement of the Company's legal compliance and was selected as a candidate for Director.

**Career Summary, Position and Responsibilities and Important Concurrent Positions**

Apr 1987	Joined Sumitomo Bank Limited (now Sumitomo Mitsui Banking Corporation)
Sep 2001	Joined PARK24 CO., LTD.
May 2011	Corporate Officer, Vice Director of East Japan Sales Division of TIMES24 CO., LTD.
Nov 2012	Corporate Officer, Director of Planning Promotion Division of TIMES24 CO., LTD.
Nov 2015	General Manager of Compliance Department of PARK24 CO., LTD.
Nov 2016	Corporate Officer, General Manager of Corporate Compliance Department of the Company(incumbent)



**[6] Yoshimitsu Oura (Born July 8, 1954)**

Newly appointed

Independent outside Director

Number of shares of the company held: 0 shares

**Reasons for Selecting the Candidate for Outside Director**

Mr. Yoshimitsu Oura has held important positions at various companies including a securities company, and the Company deems that he will be able to offer useful advice based on the knowledge and experience gained from this, and proposes him as a candidate for Outside Director. In addition, to secure the independency of outside directors, the Company has its own standards on the independency of outside directors along with those established the Tokyo Stock Exchange (P.14~15). If the selection of Mr.Oura is approved, the Company will apply for registration of Mr.Oura as an independent officer defined by the Tokyo Stock Exchange.

**Career Summary, Position and Responsibilities and Important Concurrent Positions**

Apr 1977	Joined Nomura Securities Co., Ltd.
Jun 2003	Assumed the office of Executive Managing Director of Nomura Securities Co., Ltd. and Senior Managing Director of Nomura Holdings, Inc.
Mar 2009	Assumed the office of Managing Managing Corporate Officer of JAFECO Co., Ltd.
Apr 2013	Assumed the office of Senior Managing Director of JAFECO Co., Ltd.
Aug 2014	Assumed the office of Representative Director of With Value Co., Ltd. (incumbent)
May 2015	Assumed the office of Outside Director of Arbeit-Times Co., Ltd. (incumbent)
Jun 2015	Assumed the office of part-time corporate auditor of Matching Service Japan Co., Ltd.
Jan 2016	Assumed the office of Outside Director of PARK24 CO., LTD. (incumbent)
Jun 2016	Assumed the office of Directors Who Serve as Audit and Supervisory Committee Members of Matching Service Japan Co., Ltd. (incumbent)
Sep 2017	Assumed the office of Outside Director of CANDEAL Co., Ltd. (incumbent)

**[7] Takashi Nagasaka (Born January 13, 1957)**

Newly appointed

Outside Director

Number of shares of the company held: 0 shares

**Reasons for Selecting the Candidate for Outside Director**

Mr. Takashi Nagasaka has acquired expertise and rich experience in corporate accounting while working as a certified public accountant at an audit corporation and boasts a record of accomplishment in serving as manager of the audit department and managing director. He is expected to help further increase the quality of the Company's audits and was selected as a candidate for Director.

**Career Summary, Position and Responsibilities and Important Concurrent Positions**

Apr 1979	Joined Chuo Audit Corporation
Jun 1981	Registered as a Certified Public Accountant
Sep 1990	Joined Chuo Audit Corporation
Jul 1998	Senior Partner of Chuo Audit Corporation
May 2005	Head of Audit Division of ChuoAoyama Audit Corporation
Aug 2007	Managing Director of ShinNihon Audit Corporation(now Ernst & Young ShinNihon LLC)
Aug 2010	Senior Partner of ShinNihon Audit Corporation(now Ernst & Young ShinNihon LLC)
Jun 2019	Representative of Takashi Nagasaka CPA Office (incumbent) Outside director of CONTEC CO., LTD. (incumbent) Outside auditor of Tokushu Tokai Paper Co., Ltd. (incumbent)

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**Notes)**

1. There are no special interests between the Company and any of the candidates for Director.
2. If this proposal is approved unamended, the Company plans to enter a contract with Mr. Oura to apply the statutory limit with respect to liability under Article 427, Paragraph 1 of the Companies Act.  
If Mr. Nagasaka is elected, the Company will conclude an agreement with him that will limit the responsibilities under Article 427, Paragraph 1 of the Companies Act.
3. Mr. Oura's term of office as Outside Director of the Company is four years at the end of this Ordinary General Shareholders Meeting.

### **Proposal 3: Election of Three (3) Directors Who Serve as Audit and Supervisory Committee Members**

The terms of office of all of the three current Directors who serve as Audit and Supervisory Committee Members will expire at the end of this Annual General Meeting of Shareholders. Accordingly, we request the election of three Directors who serve as Audit and Supervisory Committee Members.

This proposal has been approved by the Board of Corporate Auditors. The candidates for Directors who serve as Audit and Supervisory Committee Members are as follows.

#### **[1] Akifumi Sasakawa (Born November 11, 1958)**

Newly appointed

Number of shares of the company held: 12,000 shares

#### **Reasons for Selecting the Candidate for Director**

Mr. Akifumi Sasakawa has many years of experience as General Manager of the Corporate Accounting Department of the Company, and has also served as auditor of the Company's subsidiary. Based on his extensive knowledge and experience of audit, he was selected as a candidate for a Director who serves as an Audit and Supervisory Committee Member.

#### **Career Summary, Position and Responsibilities and Important Concurrent Positions**

Apr 1982	Joined Nichii Corporation (now AEON Retail Co., Ltd.)
Jul 2002	Joined the Company
Jan 2005	General Manager of Corporate Accounting Department of the Company Auditor of Driver's Net Co., Ltd. (now TIMES COMMUNICATION CO., LTD.) (incumbent)
Jun 2009	Corporate Auditor of Mazda Rent-A-Car Co., Ltd. (now TIMES MOBILITY CO., LTD.)
Jan 2018	Auditor of PARK24 BUSINESS SUPPORT CO., LTD.
Nov 2019	General Manager of Operation Control Division of the Company (incumbent)

**[2] Tsunekazu Takeda (Born November 1, 1947)**

Reappointed

Outside Director

Independence

Number of shares of the company held: 11,000 shares

**Reasons for Selecting the Candidate for Outside Director**

Mr. Tsunekazu Takeda assumed the office of Chairman of the Japanese Olympic Committee, an incorporated foundation (now Japanese Olympic Committee, a public interest incorporated foundation) in 2001, and assumed the office of Corporate Auditor of PARK24 CO., LTD. in 2006. He later assumed the office of a member of the International Olympic Committee in 2012. The Company proposes him as a candidate for an Outside Director who serves as an Audit and Supervisory Committee Member on account of his high level of knowledge backed by extensive experience of company management and international experience.

Although there were transactions between the Company and the travel agency company Setouchi LTK Travel, Inc. at which Mr. Tsunekazu Takeda concurrently serves as Representative Director, these transactions amounted to less than 0.01% of the consolidated sales of PARK24 CO., LTD. in the business year concerned, satisfying the Company's Criteria for Independence of Outside Directors (see "Criteria for Independence of Outside Directors, Section 3 (1)" on p.14), and the Company deems that the transactions are not detrimental to outside director independence. If the selection of Mr. Takeda is approved, the Company will apply for registration of him as an independent officer defined by the Tokyo Stock Exchange.

**Career Summary, Position and Responsibilities and Important Concurrent Positions**

Feb 1982	Assumed the office of Representative Director of LTK REISEBURO JAPAN CO.,LTD. (now Setouchi LTK Travel, Inc.)
Oct 2001	Assumed the office of Chairman of the Japanese Olympic Committee, an incorporated foundation (now Japanese Olympic Committee, a public interest incorporated foundation)
Jan 2006	Assumed the office of Corporate Auditor of PARK24 CO., LTD.
Jul 2012	Assumed the office of Member of International Olympic Committee
Apr 2013	Visiting professor at Keio University Graduate School of Health Management (incumbent)
Jan 2016	Assumed the office of Outside Director who serves as Audit and Supervisory Committee Members of PARK24 CO., LTD. (incumbent)
Feb 2018	Chairperson of the Board of Directors of Setouchi LTK Travel, Inc. (incumbent)
Jul 2019	Honorary member of the Japanese Olympic Committee (incumbent)

**[3] Miho Niunoya (Born August 31, 1964)**

Newly Reappointed

Outside Director

Independence

Number of shares of the company held: 0 shares

**Reasons for Selecting the Candidate for Outside Director**

As an attorney, Ms. Miho Niunoya has supported the overseas expansion of companies and the resolution of international disputes, providing legal support for businesses such as real estate and energy, working for many years, particularly in the field of corporate legal affairs. Based on such extensive expertise and experience, she has been selected as a candidate for Outside Director who serves as an Audit and Supervisory Committee Member. If the appointment of Ms. Niunoya is approved, the Company will report her as independent officer as stipulated under the regulations of the Tokyo Stock Exchange, Inc.

**Career Summary, Position and Responsibilities and Important Concurrent Positions**

Apr 1993	Registered as a Lawyer (Tokyo Bar Association) Joined Tokyo Aoyama Law Office (now Baker & Mackenzie Law Office)
Jul 1997	Joined Baker & McKenzie Consultants (Indonesia)
Jan 1998	Joined Baker & McKenzie (Singapore)
Dec 2000	Partner of Tokyo Aoyama Law Office (now Baker & Mackenzie Law Office)
Nov 2002	Senior Partner of Foreign Law Joint Business of Atsumi & Sakai Law Office (incumbent)
Dec 2010	Committee Member of Public procurement monitoring Committee (Edogawa-ku) (incumbent)
Aug 2011	Expert member of Incorporated Administrative agency Evaluation Committee (Ministry of Internal Affairs and Communications) (incumbent)

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Notes)

1. There are no special interests between the Company and any of the candidates for Director.
2. If this proposal is approved unamended, the Company plans to enter a contract with Mr. Takeda to apply the statutory limit with respect to liability under Article 427, Paragraph 1 of the Companies Act.  
If Mr. Sasakawa and Ms. Niunoya are elected, the Company will conclude an agreement with them that will limit the responsibilities under Article 427, Paragraph 1 of the Companies Act.
3. Mr. Takeda's term of office as Outside Director who serves as Audit and Supervisory Committee Members of the Company is four years at the end of this Ordinary General Shareholders Meeting.

[Reference 1: Board Matrix]

No.	Name	Position and responsibility in the Company	Corporate management	Accounting knowledge	Legal knowledge	Outside	Independence	Nomination and Compensation Committee	Audit and Supervisory Committee
1	<b>Koichi Nishikawa</b> -Reappointed -Male	President and Representative Director	✓					✓	
2	<b>Kenichi Sasaki</b> -Reappointed -Male	Director, Senior Corporate Officer, General Manager of Corporate Planning Division	✓	✓					
3	<b>Norifumi Kawakami</b> -Reappointed -Male	Director, Managing Corporate Officer	✓						
4	<b>Keisuke Kawasaki</b> -Reappointed -Male	Director, Corporate Officer, General Manager of Corporate Administration Division	✓		✓				
5	<b>Shingo Yamanaka</b> -Newly appointed -Male	Corporate Officer, General Manager of Group-wide Compliance Department			✓				
6	<b>Yoshimitsu Oura</b> -Reappointed -Male	Outside Director, Chairperson of Nomination and Compensation Committee	✓			✓	✓	✓	
7	<b>Takashi Nagasaka</b> -Newly appointed -Male	-		✓		✓		*	
8	<b>Akifumi Sasakawa</b> -Newly appointed -Male	General Manager of Operation Control Division		✓					✓
9	<b>Tsunekazu Takeda</b> -Reappointed -Male	Outside Director and Audit and Supervisory Committee Member	✓			✓	✓	✓	✓
10	<b>Miho Niunoya</b> -Newly appointed -Female	-			✓	✓	✓	*	✓

\* After being appointed as an Outside Director, the Board of Directors will make appointment as a Nomination and Compensation Committee.

[Reference2]

### **Criteria for Independence of Outside Directors**

PARK24 CO., LTD. (hereinafter referred to as “the Company”) believes that, when establishing an appropriate framework concerning corporate governance, outside directors should be as independent as possible to ensure management transparency and objectivity.

The Company has set out its own Criteria for Independence of Outside Directors as follows, and any Outside Director (including candidate; hereinafter the same shall apply) who falls under any of the following shall be deemed as not being sufficiently independent from the Company.

1. A person who previously belonged to the Company or one of its consolidated subsidiaries hereinafter referred to collectively as “the Group”) (see Note 1)
2. A major shareholder of the Company (see Note 2)
3. A person executing the business operations of a company, etc. that falls under any of the following:
  - (1) Major business partner of the Group (see Note 3)
  - (2) Major lender of the Group (see Note 4)
  - (3) Company, etc. in which the Group holds 10% or more of the voting rights
4. A Certified Public Accountant who belongs to the audit corporation that is the accounting auditor of the Group.
5. A consultant, certified accountant, tax accountant, legal professional, judicial scrivener, patent attorney or other person providing a specialist service who received from the Group a large amount (see Note 5) of monetary consideration or other properties;
6. A person who has received a large donation from the Group (see Note 6)
7. A person executing the business operations of another company from which a person executing its business operations assumes the office of Outside Director of the Company (see Note 7)
8. A person whose close relative (see Note 8) falls under any of 1 to 7 above (with the exception of 4. and 5., only a person in an important position (see Note 9))
9. A person who falls under any of (2) to (8) above in the past five years;
10. Notwithstanding the foregoing, any other person in relation to whom special grounds that could give rise to a conflict of interests with the Company are deemed to exist.

### **Notes)**

1. Refers to an executive director, corporate officer or other employee who currently belongs to the Group (referred to collectively in these Criteria as “a person executing business operations”) or a person executing business operations who once belonged to the Group in the past.
2. A major shareholder shall mean a shareholder who at the end of the fiscal year concerned holds 10% or more of the voting rights of the Company in his or her own name or in the name of another person, or, where the major shareholder is a corporation, association or other organization, a major shareholder shall mean a person executing business operations who belongs to said organization.
3. A major business partner shall mean a supplier of products, etc. which contribute to the Group’s provision of services whose annual transactions with the Company exceed 1% of the Company’s consolidated sales or such business partner’s consolidated sales.
4. A major lender shall mean a financial institution from whom the Group borrows and whose outstanding loans to the Group at the end of the fiscal year concerned exceeds 1% of the consolidated total assets of the Company or the consolidated total assets of such financial institution.
5. A large sum is defined as follows according to the involvement of the specialist in question in the provision of services.
  - (1) Where such specialist provides services to the Group as an individual, a large sum means when the annual consideration (excluding officers’ remuneration)

- such specialist receives from the Group exceeds ten (10) million yen in a year.
- (2) Where a corporation, association or other organization to which such specialist belongs provides services to the Group, a large amount shall mean when the total amount of consideration such organization receives from the Group exceeds 1% of the total annual revenue of such organization, provided, however, that an amount which does not exceed 1% shall still be regarded as a large amount if the amount such organization receives as consideration for the provision of services in which such specialist is directly involved exceeds ten (10) million yen in a year.
6. A person who has received a large donation means a person who has received a donation of more than ten (10) million yen in a year from the Group. Where the person who received such donation is a corporation, association or other organization, a person who received a large donation shall mean a person who belongs to such organization and is directly involved in research, education or other activities relating to such donation.
7. Refers to a relationship where a person executing the business operations of the Group is the Outside Officer of another Company and a person executing the business activities of such other company is an Outside Director of the Company.
8. A close relative means spouse or relative within the second degree of kinship
9. A person with an important position means a director, executive, corporate officer, person executing business operations of general manager rank or above, or any other person executing business operations with authority equivalent to the foregoing.