

Securities Code: 9743

April 1, 2020

Dear Shareholders,

Takashi Takahashi  
President & CEO  
TANSEISHA Co., Ltd.  
1-2-70 Konan, Minato-ku, Tokyo

## Notice of the 62nd Ordinary General Meeting of Shareholders

You are cordially invited to attend the 62nd Ordinary General Meeting of Shareholders of TANSEISHA Co., Ltd. (the “Company”). The meeting will be held as described below.

**If you are unable to attend the meeting in person, you may exercise your voting rights by either of the following methods. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights.**

### **[Exercise your voting rights in writing]**

Please indicate your approval or disapproval for each proposal on the enclosed Voting Card, and post it so as to arrive no later than 5:45 p.m. on Wednesday, April 22, 2020 (JST).

### **[Exercise your voting rights via the Internet, etc.]**

Please access to the Website for Exercising Voting Rights designated by the Company (<https://evote.tr.mufg.jp/>) and enter your approval or disapproval for each proposal to exercise your voting rights by no later than 5:45 p.m. on Wednesday, April 22, 2020 (JST).

### Details

**1. Date and Time:** Thursday, April 23, 2020, at 10:00 a.m. (Reception starts at 9:00 a.m.)

**2. Place:** Royal Park Hotel 3F  
2-1-1, Nihonbashi-Kakigaracho, Chuo-ku, Tokyo, Japan

**3. Purposes of the Meeting**

- Matters to be reported:**
- a. Business Report and Consolidated Financial Statements for the 62nd Fiscal Year (from February 1, 2019 to January 31, 2020), as well as the Audit Reports of the Accounting Auditors and the Audit and Supervisory Committee for Consolidated Financial Statements
  - b. Non-consolidated Financial Statements for the 62nd Fiscal Year (from February 1, 2019 to January 31, 2020)

**Matters to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Eight (8) Directors (excluding Directors Serving on the Audit and Supervisory Committee)
- Proposal 3:** Election of Four (4) Directors Serving on the Audit and Supervisory Committee

#### **4. Instructions for**

**Exercising Voting Rights:** Please refer to the [Instructions for Exercising Voting Rights] on the following pages (Written in Japanese only).

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Note:

\* You are kindly requested to present the enclosed Voting Card to the receptionist when you attend the meeting.

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of Surplus

As its basic policy, the Company pays dividends based on the state of profits, taking into account capital adequacy from a long-term perspective, and it distributes profits giving consideration to factors including the dividend payout ratio, based on this policy.

The Company proposes the year-end dividend for the current fiscal year and other appropriation of surplus as follows, after comprehensive consideration of operating results for the current fiscal year, the future business environment and other factors.

#### 1. Matters regarding year-end dividend

- |   |                |
|---|----------------|
| (1) Type of dividend property:  | Cash           |
| (2) Dividend property allotment to shareholders and total amount thereof  |                |
| Dividends per common share of the Company:  | ¥22            |
| Total amount of dividends:  | ¥1,058,348,390 |
| By adding interim dividends that have already been paid (¥20 per share), the amount of annual dividends shall be ¥42 per share. |                |
| (3) Date of effectiveness of dividends:   | April 24, 2020 |

#### 2. Matters regarding other appropriation of surplus

- |   |                |
|---|----------------|
| (1) Item and amount of decrease in surplus: |                |
| Retained earnings brought forward           | ¥2,000,000,000 |
| (2) Item and amount of increase in surplus: |                |
| General reserve                             | ¥2,000,000,000 |

**Proposal 2:** Election of Eight (8) Directors (excluding Directors Serving on the Audit and Supervisory Committee)

The terms of office of all eight (8) Directors (excluding Directors serving on the Audit and Supervisory Committee) will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company requests the election of eight (8) Directors (excluding Directors serving on the Audit and Supervisory Committee).

All three (3) Outside Directors serving on the Audit and Supervisory Committee have attended the Nominating and Compensation Advisory Committee's Meeting and provided their opinions regarding the nominations and compensation of Directors (excluding Directors serving on the Audit and Supervisory Committee). In addition, the full-time Audit and Supervisory Committee Members confirmed the policy for candidate nominations, rationale of the compensation system, and specific methods employed to calculate compensation amounts, and then reported and discussed these matters at the Audit and Supervisory Committee. From this, it was concluded that there was not any matter concerning the nominations and compensation of Directors (excluding Directors serving on the Audit and Supervisory Committee) that required special reporting at a General Meeting of Shareholders in accordance with the provisions of the Companies Act.

The candidates for Directors (excluding Directors serving on the Audit and Supervisory Committee) to be elected are as follows:

Candidate number	Name	Positions and areas of responsibility in the Company	Attribute of candidate	Number of Board of Directors meetings attended
1	Yoshimitsu Aota	Chairman of the Board	Reelection	13/15
2	Takashi Takahashi	President and Chief Executive Officer	Reelection	15/15
3	Teruhiko Tokumasu	Managing Director in charge of Design	Reelection	14/15
4	Hisayuki Todaka	Managing Director in charge of Corporate Planning, General Management and Groups in general	Reelection	15/15
5	Osamu Kobayashi	Managing Director in charge of Commercial and Other Facility Business	Reelection	15/15
6	Minoru Nakajima	Director in charge of Cultural Facility Business	Reelection	15/15
7	Ikunori Shinohara	Director in charge of Chain Store Business	Reelection	14/15
8	Tomoo Morinaga	Director in charge of Production	Reelection	15/15

Number of the Company's shares held: 167,407 shares  Tenure as Director: 22 years 10 months  Number of Board of Directors meetings attended: 13/15	No. 1	Yoshimitsu Aota (June 26, 1947)	<u>Reelection</u>
	<b>[Career summary, positions and areas of responsibility in the Company]</b> Apr. 1971    Joined the Company Jun. 1997    Director and General Manager of Cultural Space Design/Promotion Center of Sales Div. I Apr. 2003    Managing Director and General Manager of Public Space Creation Div. Apr. 2006    Senior Managing Director Feb. 2010    President and Chief Executive Officer Apr. 2017    Chairman of the Board (current position)		
	<b>[Important concurrent positions]</b> Not applicable		
	<b>Reasons for nomination as Director</b> Mr. Yoshimitsu Aota has engaged in design work since joining the Company, served as department head and then became a Director. He has extended his knowledge on general management after assuming the post of Director, became President and Chief Executive Officer of the Company in 2010, and implemented managerial reforms from a perspective as a designer. Since becoming the Company's Chairman of the Board in 2017, he has been working to make improvements regarding the effectiveness of the supervisory function of the Company's Board of Directors. He is nominated again as a candidate for Director because he has abundant business experience in the display business and insights into management.		
Number of the Company's shares held: 133,380 shares  Tenure as Director: 10 years  Number of Board of Directors meetings attended: 15/15	No. 2	Takashi Takahashi (September 9, 1955)	<u>Reelection</u>
	<b>[Career summary, positions and areas of responsibility in the Company]</b> Apr. 1974    Joined the Company Jun. 1999    Executive Officer and Senior Manager of First Public Space Dept. of Production Div. Apr. 2010    Director, Executive Officer and General Manager of Production Div. of Commercial Space Div. Feb. 2013    Director in charge of Design and Production in general, and Quality, Technology, Safety and Business Partners Feb. 2015    Managing Director in charge of Design and Production in general Feb. 2016    Executive Vice President Apr. 2017    President and Chief Executive Officer (current position)		
	<b>[Important concurrent positions]</b> Not applicable		
	<b>Reasons for nomination as Director</b> Mr. Takashi Takahashi has engaged in production work since joining the Company, served as department head in the production field, and then became a Director. Since assuming the post of Director, he has extended his knowledge on general management and in 2017 he assumed the post of President and Chief Executive Officer. Currently, he is striving to develop business by making the most of his experience. He is nominated again as a candidate for Director because he has abundant experience in the display business and insights into management.		

Number of the Company's shares held: 32,065 shares  Tenure as Director: 8 years  Number of Board of Directors meetings attended: 14/15	No. 3	Teruhiko Tokumasu (October 29, 1956)	<u>Reelection</u>
	<b>[Career summary, positions and areas of responsibility in the Company]</b> Apr. 1981    Joined the Company Apr. 2010    Executive Officer and General Manager of Marketing Div. II of Commercial Space Div. Apr. 2012    Director and General Manager of CS Business Unit Feb. 2015    Director in charge of Commercial and Other Facility Business and Chain Store Business Feb. 2016    Managing Director in charge of Design Feb. 2018    Managing Director and General Manager of Design Center, in charge of Design (current position)		
	<b>[Important concurrent positions]</b> Not applicable		
	<b>Reasons for nomination as Director</b> Mr. Teruhiko Tokumasu has engaged in sales operations for the commercial and other facility business since joining the Company, served as department head and then became a Director. Since assuming the post of Director, he has extended his knowledge on general management and has been working on enhancement of the design field, a driving force behind the value of the Company's products. He is nominated again as a candidate for Director because he has abundant experience in the display business and insights into management.		
Number of the Company's shares held: 15,265 shares  Tenure as Director: 5 years  Number of Board of Directors meetings attended: 15/15	No. 4	Hisayuki Todaka (November 24, 1957)	<u>Reelection</u>
	<b>[Career summary, positions and areas of responsibility in the Company]</b> Apr. 1981    Joined the Company Apr. 1999    Senior Manager of Corporate Planning Dept. of Corporate Planning Office Feb. 2008    General Manager of Corporate Planning Div. Feb. 2014    General Manager of General Management Div. Apr. 2015    Director in charge of Corporate Planning, General Management, Business Management and Groups in general Feb. 2017    Managing Director in charge of Corporate Planning, General Management and Groups in general (current position)		
	<b>[Important concurrent positions]</b> Not applicable		
	<b>Reasons for nomination as Director</b> Mr. Hisayuki Todaka has engaged in management work for the Group in the corporate planning department since joining the Company, served as the department head supervising the entire administration department, and then became a Director. Since assuming the post of Director, he has extended his knowledge on general management and has been working on enhancement of management work for the whole Group. He is nominated again as a candidate for Director because he has abundant experience in the display business and insights into management.		

Number of the Company's shares held: 17,734 shares  Tenure as Director: 4 years  Number of Board of Directors meetings attended: 15/15	No. 5	Osamu Kobayashi (June 19, 1959)	Reelection
	<b>[Career summary, positions and areas of responsibility in the Company]</b> Apr. 1984    Joined the Company Apr. 1999    Senior Manager of Sales Dept. 2 of Second Sales Div. of Sales Headquarters Apr. 2006    General Manager of IMC Business Unit 1 of Sales Headquarters Feb. 2008    General Manager of IMC Business Div. Feb. 2015    General Manager of CS Business Unit Apr. 2016    Director and General Manager of CS Business Unit, in charge of Commercial and Other Facility Business Feb. 2017    Director in charge of Commercial and Other Facility Business Feb. 2019    Managing Director in charge of Commercial and Other Facility Business (current position)		
	<b>[Important concurrent positions]</b> Not applicable		
	<b>Reasons for nomination as Director</b> Mr. Osamu Kobayashi has engaged in sales operations since joining the Company, served as the department head responsible for the promotion field and General Manager of CS Business Unit, and then became a Director. Since assuming the post of Director, he has extended his knowledge on general management and has been working on enhancement of the commercial and other facility business. He is nominated again as a candidate for Director because he has abundant experience in the display business and insights into management.		
Number of the Company's shares held: 17,642 shares  Tenure as Director: 4 years  Number of Board of Directors meetings attended: 15/15	No. 6	Minoru Nakajima (September 9, 1959)	Reelection
	<b>[Career summary, positions and areas of responsibility in the Company]</b> Apr. 1982    Joined the Company Apr. 2000    Senior Manager of Second Public Space Dept. of Display Space Creation Div. of Production Headquarters Apr. 2007    General Manager of Production Div. 3 of Production Headquarters Feb. 2013    General Manager of Cultural Space Business Unit Apr. 2016    Director and General Manager of Cultural Space Business Unit, in charge of Cultural Facility Business Feb. 2019    Director in charge of Cultural Facility Business (current position)		
	<b>[Important concurrent positions]</b> Not applicable		
	<b>Reasons for nomination as Director</b> Mr. Minoru Nakajima has engaged in production work of the cultural facility business since joining the Company, served as General Manager of Cultural Spaces Business Unit and then became a Director. Since assuming the post of Director, he has extended his knowledge on general management and has been working on enhancement of the cultural facility business. He is nominated again as a candidate for Director because he has abundant experience in the display business and insights into management.		

Number of the Company's shares held: 7,985 shares  Tenure as Director: 4 years  Number of Board of Directors meetings attended: 14/15	No. 7	Ikunori Shinohara (January 21, 1962) <span style="border: 1px solid black; padding: 0 2px;">Reelection</span>
	<b>[Career summary, positions and areas of responsibility in the Company]</b> Jan. 1987    Joined the Company Apr. 2002    Senior Manager of Sales Dept. 2 of SE Div. Feb. 2008    General Manager of PM Div. I of SE Div. Feb. 2012    General Manager of SE Div. Apr. 2016    Director and General Manager of SE Div., in charge of Chain Store Business Feb. 2019    Director in charge of Chain Store Business (current position)	
	<b>[Important concurrent positions]</b> Not applicable	
	<b>Reasons for nomination as Director</b> Mr. Ikunori Shinohara has engaged in sales operations since joining the Company, served as department head for the chain store business from the time of launch of the business, and then became a Director. Since assuming the post of Director, he has extended his knowledge on general management and has been working on enhancement of the chain store business. He is nominated again as a candidate for Director because he has abundant experience in the display business and insights into management.	
Number of the Company's shares held: 10,595 shares  Tenure as Director: 3 years  Number of Board of Directors meetings attended: 15/15	No. 8	Tomoo Morinaga (April 9, 1963) <span style="border: 1px solid black; padding: 0 2px;">Reelection</span>
	<b>[Career summary, positions and areas of responsibility in the Company]</b> Apr. 1986    Joined the Company Apr. 2006    General Manager of Production Div. 1 Feb. 2008    Deputy General Manager of IMC Business Div. Feb. 2013    Deputy General Manager of CS Business Unit Feb. 2017    General Manager of Safety/Technology Promotion Center Apr. 2017    Director and General Manager of Safety/Technology Promotion Center, in charge of Production Feb. 2018    Director and General Manager of Technical Center, in charge of Production (current position)	
	<b>[Important concurrent positions]</b> Not applicable	
	<b>Reasons for nomination as Director</b> Mr. Tomoo Morinaga has engaged in production work for the commercial and other facility business since joining the Company, served as the department head of the department in charge of quality and safety, and then became a Director. Since assuming the post of Director, he has extended his knowledge on general management and has been working on enhancement of the production system. He is nominated again as a candidate for Director because he has abundant experience in the display business and insights into management.	

- Notes: 1. No special interest exists between any of the above candidates for Directors and the Company.
2. The number of Company's shares held indicates the number of shares held as of January 31, 2020.
3. In addition to the number of the Board of Directors meetings attended and attendance rate presented for each candidate above, the Board of Directors implemented one written resolution that was deemed a resolution of the Board of Directors under the provisions of Article 370 of the Companies Act, and of Article 26 of the Company's Articles of Incorporation.



**Proposal 3:** Election of Four (4) Directors Serving on the Audit and Supervisory Committee

The terms of office of all four (4) Directors serving on the Audit and Supervisory Committee will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company requests the election of four (4) Directors serving on the Audit and Supervisory Committee.

The Audit and Supervisory Committee has already given its consent to this proposal.

The candidates for Directors serving on the Audit and Supervisory Committee to be elected are as follows:

Candidate number	Name	Positions and areas of responsibility in the Company	Attribute of candidate	Number of Board of Directors meetings attended
1	Hideshi Kawahara	Director and Full-Time Audit and Supervisory Committee Member	Reelection	15/15
2	Yasushi Matsuzaki	Outside Director and Audit and Supervisory Committee Member	Reelection Outside Independent	15/15
3	Yumiko Niijima	Outside Director and Audit and Supervisory Committee Member	Reelection Outside Independent	15/15
4	Kiyonobu Yoshii		New election Outside Independent	—/—

Reelection: candidate for reappointment as Director

New election: new candidate for Director

Outside: candidate for Outside Director

Independent: Independent Officer as provided for by securities exchanges, etc.

Number of the Company's shares held: 18,488 shares  Tenure as Director: 4 years  Number of Board of Directors meetings attended: 15/15	No. 1	Hideshi Kawahara (August 31, 1955) <div>Reelection</div>
	<b>[Career summary, positions and areas of responsibility in the Company]</b> Aug. 1995    Joined the Company Apr. 1996    Senior Manager of Accounting Dept. of General Management Div. Apr. 2006    Senior Manager of Business Process Reengineering Office Feb. 2010    General Manager of General Management Div. of Administrative Headquarters Feb. 2014    General Manager of Corporate Planning Div. Apr. 2016    Director [Full-Time Audit and Supervisory Committee Member] (current position) <b>[Important concurrent positions]</b> Not applicable	
	<b>Reasons for nomination as Director</b> Mr. Hideshi Kawahara has mainly engaged in work related to finance and accounting since joining the Company, and has supervised work related to finance and accounting of the whole Group, acting as head of the administration department. He has assumed the post of Director serving on the Audit and Supervisory Committee where he utilizes that experience. Since becoming a Director serving on the Audit and Supervisory Committee, he has been working on strengthening the supervisory function and the audit function for the Company's management and enhancing corporate governance, utilizing his experience and knowledge. He is nominated again as a candidate for Director serving on the Audit and Supervisory Committee because he has abundant experience and knowledge pertaining to managerial supervision and auditing.	
Number of the Company's shares held: 5,264 shares  Tenure as Outside Director: 5 years  Number of Board of Directors meetings attended: 15/15	No. 2	Yasushi Matsuzaki (January 24, 1953) <div>Reelection</div> <div>Outside</div> <div>Independent</div>
	<b>[Career summary, positions and areas of responsibility in the Company]</b> Apr. 1978    Joined National Tax Agency Jul. 1985    District Director of Wakkanai Tax Office Jul. 1998    Deputy Commissioner (Large Enterprise Examination and Criminal Investigation) of Fukuoka Regional Taxation Bureau Jul. 2003    Director of Consumption Tax Office, Taxation Dept. of National Tax Agency Jun. 2010    Qualified as certified tax accountant Jul. 2010    Deputy Commissioner of Collection Dept. of National Tax Agency Apr. 2015    Outside Director of the Company Apr. 2016    Outside Director [Audit and Supervisory Committee Member] (current position) Jun. 2017    Executive Director of Zenkokuhojinkai Public Interest Incorporated Foundation (current position) <b>[Important concurrent positions]</b> Executive Director of Zenkokuhojinkai Public Interest Incorporated Foundation	
	<b>Reasons for nomination as Outside Director</b> Mr. Yasushi Matsuzaki has a wide variety of experience in the public administration field as well as deep insights into finance and accounting with the qualification of certified tax accountant. Since becoming an Outside Director serving on the Audit and Supervisory Committee, he has been working on strengthening the supervisory function and the audit function for the Company's management and enhancing corporate governance, utilizing his experience and insight. He is nominated again as a candidate for Outside Director serving on the Audit and Supervisory Committee because the Company would like him to apply the aforementioned experience and insight to audits and other operations of the Company. Although he has never been involved in corporate management other than having served as an outside officer, the Company deems that he is capable of properly carrying out such professional duties based on the aforementioned experience and insight.	

Number of the Company's shares held: 765 shares  Tenure as Outside Director: 2 years  Number of Board of Directors meetings attended: 15/15	No. 3	Yumiko Nijima (February 12, 1981) <div> <div>Reelection</div> <div>Outside</div> <div>Independent</div> </div>
	<b>[Career summary, positions and areas of responsibility in the Company]</b> Sep. 2008 Passed the National Bar Examination Dec. 2009 Registered as an attorney-at-law (Tokyo Bar Association) Jan. 2010 Joined Yamada Law & Patent Office (current position) Apr. 2018 Outside Director of the Company [Audit and Supervisory Committee Member] (current position) <b>[Important concurrent positions]</b> Attorney-at-law (Yamada Law & Patent Office)	
	<b>Reasons for nomination as Outside Director</b> Ms. Yumiko Nijima has extensive insight and experience in corporate legal affairs as an attorney-at-law. Since becoming a Director serving on the Audit and Supervisory Committee, she has been working on strengthening the supervisory function and the audit function for the Company's management and enhancing corporate governance, utilizing her experience and insight. Although she has never been directly involved in corporate management, the Company deems that she is capable of properly carrying out such professional duties based on the aforementioned experience and insight.	
Number of the Company's shares held: – shares  Tenure as Outside Director: – years  Number of Board of Directors meetings attended: –	No. 4	Kiyonobu Yoshii (June 1, 1965) <div> <div>New election</div> <div>Outside</div> <div>Independent</div> </div>
	<b>[Career summary, positions and areas of responsibility in the Company]</b> Feb. 1990 Joined Natsume Audit Corporation Apr. 1995 Registered as certified public accountant Jul. 2002 Established accounting firm Mar. 2004 Managing Partner of NTS Sogo Tax Corporation (former Akasakamitsuke Sogo Tax Corporation (current position) Feb. 2008 Managing Partner of Iris Audit Corporation (current position) Sep. 2016 Representative of NTS Sogo Consulting Group (current position) <b>[Important concurrent positions]</b> Managing Partner of NTS Sogo Tax Corporation Managing Partner of Iris Audit Corporation Representative of NTS Sogo Consulting Group	
	<b>Reasons for nomination as Outside Director</b> Mr. Kiyonobu Yoshii has experience as a representative of a consulting group as well as deep insights into finance and accounting with the qualification of certified public accountant and certified tax accountant. Therefore, the Company has nominated him as a candidate for Outside Director in the expectation that he will contribute to improvement of the supervisory function and the audit function for the Company's management and enhancement of the Company's corporate governance by participating in the management from the standpoint of Outside Director serving on the Audit and Supervisory Committee. He has never been directly involved in corporate management, the Company deems that he is capable of properly carrying out such professional duties based on the aforementioned experience and insight.	

- Notes: 1. No special interest exists between any of the above candidates and the Company.
2. The number of the Company's shares held indicates the number of shares held as of January 31, 2020.
3. In addition to the number of Board of Directors meetings attended and attendance rate presented for each candidate above, the Board of Directors implemented one written resolution that was deemed a resolution of the Board of Directors under the provisions of Article 370 of the Companies Act, and of Article 26 of the Company's Articles of Incorporation.
4. Mr. Yasushi Matsuzaki, Ms. Yumiko Nijima and Mr. Kiyonobu Yoshii are the candidates for Outside Directors.
5. The Company has concluded agreements with Mr. Hideshi Kawahara, Mr. Yasushi Matsuzaki, and Ms. Yumiko Nijima to limit their damage compensation liabilities stipulated in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the same act. The amount of the limitation on the damage

compensation liabilities under the said agreement shall be the higher of ¥10 million or the minimum liability amount provided in Article 425, Paragraph 1 of the Companies Act. If the reelection of Mr. Kawahara, Mr. Matsuzaki and Ms. Nijima is approved, the Company plans to renew the aforementioned agreements with them.

In addition, if the election of Mr. Kiyonobu Yoshii is approved, the Company will conclude the same agreement to limit his damage compensation liabilities with him.

6. The Company has reported Mr. Yasushi Matsuzaki and Ms. Yumiko Nijima as Independent Officers under the provisions set forth by the Tokyo Stock Exchange. When the reelection of Mr. Matsuzaki and Ms. Nijima is approved, the Company will continue to appoint them as Independent Officers. Mr. Kiyonobu Yoshii also meets the requirements for Independent Officer under the provisions set forth by the Tokyo Stock Exchange. When the election of Mr. Kiyonobu Yoshii is approved, the Company will also report him as Independent Officer to the Tokyo Stock Exchange.

## **[Reference]**

In addition to the independence standards stipulated by the Tokyo Stock Exchange, the Company has established its “Standards on the Independence of Outside Directors” as follows.

### **Standards on the Independence of Outside Directors (Overview)**

A person shall be deemed as lacking independence if any of the conditions listed hereafter apply with respect to that individual, in addition to the independence standards stipulated by the Tokyo Stock Exchange:

1. A person to whom any of the following, (1) to (8), apply at the time he or she is to have gained appointment as a Director:
  - (1) A major shareholder of the Company (a shareholder whose holding ratio of voting rights is 10% or more of the total voting rights), or the business executor thereof;
  - (2) A business counterparty of the Company whose business transactions with the Company exceed 1% of its consolidated net sales for the most recent fiscal year, or a business executor thereof;
  - (3) A party whose business counterparty is the Company and whose business transactions with the Company exceed 1% of its annual net sales for the most recent fiscal year, or a business executor thereof;
  - (4) A financial institution that the Company largely depends on for fund procurement operations, with largely no alternative source of business, or a business executor thereof;
  - (5) A certified public accountant or an employee, partner or staff member of an auditing firm that acts as the Company’s accounting auditor;
  - (6) A business executor of an organization that received donations or subsidies from the Company exceeding ¥10 million during the most recent fiscal year;
  - (7) An attorney-at-law, certified public accountant, tax accountant or outside consultant who receives from the Company a financial sum or other economic benefit of ¥10 million or more for a purpose other than officer remuneration paid by the Company, or;
  - (8) A person affiliated with a law firm, auditing firm, tax accounting firm, or outside consulting firm that receives payment amounting to 1% or more of their annual consolidated net sales from the Company;
2. A person to whom any of the aforementioned, (1) to (6), have applied at any time over the past ten years, or;
3. A person whose length of service as an Outside Director of the Company exceeds six years.

Note: The document “Standards on the Independence of Outside Directors” (Japanese version only) is available in its entirety online via the Tanseisha website (<https://www.tanseisha.co.jp/ir/governance>).