

Corporate Governance Policies

Nippon Paint Holdings Co., Ltd.

General Provisions

Article 1 (Objectives)

The objective of these Policies is to present the basic concepts and framework for the corporate governance of Nippon Paint Holdings Co., Ltd. (hereinafter referred to as the “Company”) and its corporate group.

Article 2 (Basic Concepts on Corporate Governance)

1. The Company, in order to improve the transparency, objectivity, and fairness of management, as well as to separate and strengthen functions of business execution and supervision of management, shall select the form of a Company with Three Committees (Nominating, Compensation and Audit).
2. The Company, based on [its “Purpose”, which shows the significance of existence common to the Group, and its “Business Philosophy”](#), which is its policy, shall promote its business and engage in ongoing efforts to enhance and strengthen its corporate governance, and thereby, will “maximize the financial value that remains after fulfilling our obligations to customers, suppliers, employees, society, and other stakeholders.” (hereinafter referred to as the “MSV” or “Maximization of Shareholder Value”), including obligations relating to sustainability, as its ultimate objective.
3. The Company presents the Group’s [corporate governance structure](#).

Chapter 1 - Securing the Rights and Equal Treatment of Shareholders

Article 3 (Securing of Equality and Rights of Shareholders)

1. The Company shall take appropriate actions in order to ensure the essential equality of shareholders in accordance with shareholder equity and shall also pay consideration to the rights granted to minority shareholders under Companies Act.
2. The Company shares a philosophy of MSV with the Wuthelam Group (hereinafter referred to as the “Controlling Company”), which has a history of cultivating business partnerships with the Company for over 60 years, and properly protect the interests of the minority shareholders.

Article 4 (Exercising of Rights at General Meetings of Shareholders)

1. The Company sets the appropriate schedule of a General Meeting of Shareholders in order to ensure that shareholders can attend the shareholders meeting after giving sufficient consideration to the proposals or can exercise their voting rights before the date of the General Meeting of Shareholders
2. The Company, in order to ensure that shareholder can appropriately exercise their voting rights, shall provide accurate information including electronic disclosure of the convocation notice of the General Meeting of Shareholders and disclosure in English, and shall work on the improvement of environment for exercise of voting rights including the use of the Electronic Voting Platform.
3. The Company, in the event of a proposal submitted by the Company have an opposition rate of 20% or more,

shall examine the subsequent response through the analysis at the Board of Directors of the causes and issues surrounding such significant negative votes.

4. The Company, upon receipt of a request for attendance from a beneficial shareholder who owns shares under the name of, for example, a trust bank, the Company will permit the shareholder to attend the General Meeting of Shareholders (including the attendance as an observer) after conducting a reasonable identity confirmation of the shareholder.

Article 5 (Capital Policy)

1. The Company's basic capital policy is to maintain the appropriate levels of growth investments and shareholders' equity for the sustainable growth of the Group.
2. The Company aims to establish a robust financial base to support business growth through the effective use of shareholders' equity, as well as the stable procurement of funds.
3. The Company provides sustainable returns to shareholders over the medium to long term, while always paying attention to financial soundness, including debt levels.
4. The Company selects appropriate indicators concerning capital efficiency in consideration of the financial position of the Company and market trends and explains these to shareholders and investors in a manner that is easy to understand.

Article 6 (Cross-Shareholdings Policy)

1. The Company makes a decision every year on the continued holding of cross-shareholders at the Board of Directors based on the policy described below and disposes of or reduces holdings of shares for which the rationality of their holding can't be recognized.

"Company Policy"

The Company holds shares of other listed companies as Cross-Shareholdings, limited to where it can be determined to be reasonable in consideration of, among others, the necessity of it for business activities (e.g., to maintain and strengthen the relationship with the business partner), the status of the issuer, and the return on the capital cost.

2. The Company, based on the policy of the preceding paragraph and internal standards, exercises voting rights upon making comprehensive judgment, from the perspectives of maximization of corporate value in the medium to long term of the other company to the Cross-Shareholding, the effect on the Group, etc.

Article 7 (Views on Related Party Transactions)

1. The Company reports to the Board of Directors and discloses significant related party transactions exceeding a certain monetary threshold, (such as transactions between the Company and a major shareholder, competing transactions between the Company and Directors or the Executive Officers, transactions for itself, and conflict of interest transactions, etc.).
2. When the Company intends to carry out a related party transaction, the Company will make a comprehensive judgment regarding the reasonableness of the transaction taking into consideration its terms and condition, profit and cost levels, etc., to ensure that the transaction will not harm the interests of the Company or the interests of its minority shareholders and obtain the approval of the appropriate decision-maker.
3. In particular, when conducting transactions with the Controlling Company of the Company, the Company shall ensure appropriate involvement and supervision by the Independent Directors, such as obtaining approval at the

Board of Directors with the majority of the Independent Directors, etc.

Chapter 2 - Appropriate Cooperation with Stakeholders other than Shareholders

Article 8 (Code of Conduct)

The Company shall establish [Nippon Paint Group Global Code of Conduct](#) to be observed by all Directors, Executive Officers, and employees of the Group with respect to compliance, ethics and sustainability, and shall strive to put it into practice.

Article 9 (Relationship with Stakeholders)

The Company fulfills its social responsibility as a corporate citizen to our stakeholders including customers, business partners, employees, local communities, and shareholders both in Japan and overseas, and will provide appropriate opportunities to have dialogue with these stakeholders to promote their understanding of the business of the Company.

Article 10 (Promotion of Activities relating to Environment, Society, and Governance)

1. The Company, recognizing that dealing with sustainability issues are important management issues, examine issues to be addressed for sustainable growth of society from a global perspective and, based on this examination, will proceed with actions in the areas of environment, society, and governance.
2. The Company will set the targets relating to environment, society, and governance proposed by the Representative Executive Officers & Co-Presidents as the targets of the Group after proposing them to the Board of Directors and passing a resolution.

Article 11 (Ensuring of Diversity)

The Company recognizes that the diversity of the human resources and the promotion to create a corporate culture and organization that makes use of the diversity are essential for the sustainable growth of the Group, and aims to be an organization in which all employees of the Group, regardless of nationality, gender, age, race, or culture, and with a variety of values and ideas, can demonstrate their full potential.

Article 12 (Whistleblowing)

1. The Company shall establish a system through which officers and employees of the Group can report or hold consultation internally or externally with any actual or potential compliance violation within the Group that they may find without suffering any disadvantage.
2. The Company shall establish a system, as a whistleblowing contact point that operates in Japan, in which reports can be made directly both internally and externally (to law firms and specialist companies, etc.), as well as to the Audit Committee.

Article 13 (Demonstration of Function as Asset Owner of Corporate Pension Fund)

The Company, to promote the stable asset formation of members of the corporate pension and to secure the soundness of the financial condition of the Company, takes the following actions for management and operation by the Nippon Paint Corporate Pension Fund.

(1) The Company systematically secures human resources with the qualities required for management and operation of the corporate pension from inside and outside the Group and assigns them to the Nippon Paint Corporate Pension Fund representative, asset management committee member, and secretary (hereinafter referred to as the “Representative, etc.”).

(2) The Company, through the Representative, etc., confirms the selection of an investment institution by the fund, the monitoring of the activity status and investment results of the investment institution, and that management of conflicts of interest that arise between the beneficiaries and the Company is performed appropriately and effectively, and voices an opinion where necessary.

Chapter 3 - Ensuring Appropriate Information Disclosure and Transparency

Article 14 (Business Strategy)

The Company formulates a Medium-Term Strategy, discloses the Company’s business strategies, matters relating to its business portfolio, as well as strategy relating to sales revenue and profits, etc., and in addition, explains the progress of these to shareholders and investors.

Article 15 (Disclosure of Information)

1. The Company will strive to provide information, such as the Group’s management strategies, business activities, financial standing, governance, sustainability, risks, etc., promptly to all stakeholders including shareholders and investors so that they can understand and properly understand and evaluate the Company, while ensuring transparency, fairness, and continuity.
2. The Company will strive to disclose information in English.

Article 16 (Assessment and Appointment of Accounting Auditor)

The Audit Committee, based on the “Accounting Auditor Aptitude Evaluation Standards”, which include standards for the independence and expertise of accounting auditors, assesses accounting auditors, and makes decisions on the necessity for their appointment, dismissal, and non-reappointment.

Article 17 (Action to Ensure the Quality of Audits Conducted by Accounting Auditor)

1. The Audit Committee, when agreeing to the audit compensation of an Accounting Auditor, based on the “Standards for Agreement on Audit Compensation for Accounting Auditors”, shall examine the validity of the basis for the calculation of the estimated amount of compensation, including the content of the audit plan, audit procedures, and audit system of the Accounting Auditor, as well as whether or not a suitable number of days is being secured for the audit.
2. The Audit Committee shall hold “Three-way audit meeting”, which are attended by the Audit Committee Members, the accounting auditor, and members of Audit department, on a regular basis to share information and exchange opinions on their audit plans and results, as well as issues identified through audits, etc., among the attendants.
3. The Audit Committee shall respond in collaboration with Audit department in the case of receiving a report, etc., from the Accounting Auditor on the performance of a treacherous act or significant breach of laws and ordinances or the Articles of Incorporation in relation to the execution of the duties of Executive Officers or

Directors.

Chapter 4 - Responsibilities of the Board

Article 18 (Role of the Board of Directors)

1. The Board of Directors shall, recognizing its responsibilities to all stakeholders including shareholders and investors, exercise its authority appropriately and be responsible for achieving MSV in the medium to long term of the Company.
2. The Board of Directors provides the general direction of the Group's corporate strategies, and monitors management in general.
3. The Board of Directors delegates authority to make decisions on the execution of business, excluding those of (1) to (3) below, to the executive officers, and detailed information on the matters requiring resolution of the Board of Directors is set forth in the Board of Directors Rules.
 - (1) Matters requiring a resolution of the Board of Directors pursuant to laws and ordinances or the Articles of Incorporation.
 - (2) Matters delegated to the Board of Directors by resolution of a Meeting of General Meetings of Shareholders
 - (3) Basic policies and important matters relating to the strategies and management of the Group

Article 19 (Composition of the Board of Directors)

1. The Board of Directors of the Company shall be well balanced overall in terms of the knowledge, experience, and aptitudes required for the effective fulfillment of its roles and responsibilities, and shall be composed of members with both diversity in terms of gender, internationality, and work experience and appropriate size, while examining the combination of skills to enable active deliberations and prompt decision-making.
2. As a general rule, the majority of the Board of Directors of the Company shall be Independent Directors.

Article 20 (Director Appointment and Qualification Standards)

1. The Company, in order to secure the effectiveness of the Board of Directors, has adopted the policy of nominating candidate Directors with diverse experience, achievements, high levels of insight, and high levels of expertise, etc., regardless of nationality, gender, whether from Japan or overseas, or from within or outside the Group, etc.
2. The Company nominates personnel that meet the following as candidate Directors.
 - (1) Directors have the qualifications to appropriately perform their duty of loyalty and duty of care, and to contribute to the sustainable growth of the Group and MSV in the medium to long term.
 - (2) Outside Directors, in addition to (1) above, have high levels of insight and extensive experience in the fields of corporate management, accounting, and legal affairs, etc., have qualifications to monitor the execution of business of Executive Officers from an independent and objective perspective as a general rule, and in addition, meet the "Independence Criteria for Outside Director" (Annex 1) prescribed by the Board of Directors. In addition, the term of office shall also be taken into consideration.
 - (3) Directors concurrently serving as Executive Officer, in addition to (1) above, have the abilities required to be conversant with the business of the Group and for the appropriate execution of the business

management of the Group.

Article 21 (Role of Board Chair)

1. The Board Chair endeavors to raise the quality of discussions at the meeting of the Board of Directors, as well as to operate the meeting of the Board of Directors effectively and efficiently.
2. The Board Chair shall be a Non-Executive Director.

Article 22 (Role of Independent Directors)

Independent Directors play the roles described below.

- (1) In regard to management policies and the improvement of management, based on their own knowledge, to provide advice from the perspectives of promoting the sustainable growth of the Group and MSV in the medium to long term.
- (2) To supervise management through the election and dismissal of Executive Officers, as well as other important decisions of the Board of Directors.
- (3) To supervise conflicts of interest between the Company and Directors, Executive Officers, and controlling shareholders, etc.
- (4) In a position of independence from business executives and controlling shareholders, etc., to ensure that the opinion of stakeholders such as minority shareholders is appropriately reflected at the Board of Directors.

Article 23 (Independent Director)

1. Meetings of the Independent Directors shall be comprised of all Independent Directors.
2. Meetings of Independent Directors shall be held as necessary by convocation by the Lead Independent Director, before or after meetings of the Board of Directors.

Article 24 (Lead Independent Director)

1. The Lead Independent Director shall be appointed from the Independent Directors by mutual election.
2. The Lead Independent Director, in addition to serving as the chair of meetings of the Independent Directors prescribed in Article 23, upon collecting the opinions of the other Independent Directors as necessary, shall convey the opinion of the Independent Directors to the Chairman, the Representative Executive Officers & Co-Presidents or other Executive Officer, and shall hold consultation regarding the response as needed.
3. Lead Independent Director shall serve as the Board Chair by resolution of the Board of Directors, if necessary from the point of view from Article 22, Paragraph 4.

Article 25 (The Nominating Committee)

1. The Nominating Committee shall be comprised of three or more committee members, a majority of which shall be Independent Directors.
2. Among the Executive Officers, the Directors concurrently serving as the Representative Executive Officer & President or other equivalent position may not become a Nominating Committee Member.
3. The Committee Chairperson of the Nominating Committee shall be an Independent Director.
4. The Nominating Committee deliberate and pass resolutions on the matters set forth below.
 - (1) Proposals to General Meetings of Shareholders regarding the election and dismissal of Directors
5. The Nominating Committee, in response to consultations from the Board of Directors, shall deliberate and

reports on the matters set forth below.

- (1) The construction of successor plans and candidate lists for Directors
- (2) The appointment, removal, and successor planning of the Representative Executive Officer & President
- (3) The appointment, removal, and successor planning of other Representative Executive Officers
- (4) The election, dismissal, and successor planning of Executive Officers
- (5) The appointment and dismissal of Chief Executive Officers of significant subsidiaries separately prescribed by the Board of Directors

Article 26 (The Compensation Committee)

1. The Compensation Committee shall be comprised of three or more committee members, a majority of which shall be Independent Directors.
2. Among the Executive Officers, the Directors concurrently serving as the Representative Executive Officer & President or other equivalent position may not become a Compensation Committee Member.
3. The Committee Chairperson of the Nominating Committee shall be an Independent Director.
4. The Compensation Committee, based on Article 27, deliberate and pass resolutions on the matters set forth below.
 - (1) Decision making policy for the individual compensation, etc., of Directors and Executive Officers
 - (2) The content of individual compensation, etc., of Directors and Executive Officers

Article 27 (Decision Making Policies for Compensation, etc., of Directors and Executive Officers)

1. The Compensation Committee shall deliberate and decide on the compensation system for Directors and Executive Officers, based on the “Compensation Philosophy”.

[Compensation Philosophy]

Overarching Principle

- In order to implement “Maximization of Shareholder Value” (MSV), to build a compensation system that is transparent and satisfactory and to continue to provide appropriate motivation, incentives, etc., to key executives by implementing individual treatment based on the system.

Guiding Principles

- To be able to attract and keep management talent that excels at practicing MSV.
 - To be able to continuously provide motivation so that maximum potential can be encouraged even under changing environment.
 - To function effectively and in harmony with the current state of business development, level of maturity of organizational systems, organizational values, and the community.
2. The Compensation Committee shall deliberate and decide on compensation for the Company’s Representative Executive Officers & Co-Presidents, based on the “Design Policies for the Compensation of the Representative Executive Officers & Co-Presidents” detailed below.

[Design Policies for the Compensation of the Representative Executive Officers & Co-Presidents]

- Compensation that contributes to MSV
- A total amount of compensation that is commensurate with the performance of the Representative Executive Officers & Co-Presidents
- A compensation structure that promotes appropriate and decisive risk taking

Article 28 (The Audit Committee)

1. The Audit Committee shall be comprised of three or more committee members, a majority of which shall be Independent Directors.
2. A Director concurrently serving as an Executive Officer may not become an Audit Committee Member.
3. The Committee Chairperson of the Audit Committee shall be an Independent Director.
4. The Audit Committee, with the exception of where otherwise prescribed in laws and ordinances or the Articles of Incorporation, shall deliberate and make decisions on the matters set forth below, as well as other matters that are separately prescribed in rules.
 - (1) Formulation, amendment, and abolition of audit standards, etc.
 - (2) Drafting of audit policy, formulation of audit plans, preparation of audit reports
 - (3) Matters relating to the appointment and dismissal of the Accounting Auditor

Article 29 (Communication between the Audit Committee and Internal Audit Department)

1. Audit department shall assist with the duties of the Audit Committee.
2. Audit department shall serve as secretary of the Audit Committee, and furthermore, based on the instructions of the Audit Committee, either itself or in partnership with related departments, shall investigate, analyze, and report on matters subject to auditing, and shall conduct on-site audits as necessary.
3. The Audit Committee, in regard to the basic policy of Audit department, the content of the audit plan, and the formulation of the budget, shall have the authority to agree beforehand to this, and in addition, shall submit specific instructions to Audit department as necessary.
4. In the event that an instruction, regarding a matter relating to audits, to Audit department directed by the Audit Committee conflicts with an instruction directed by the Representative Executive Officers & Co-Presidents, the instruction by the Audit Committee shall have priority.

Article 30 (Ensuring the Effectiveness of the Board of Directors)

1. The Company, in examination of the execution of the Company's business strategies and the business environment that constantly changes, shall identify and list the experience and skills that the Board of Directors should have, and shall use this to assist in the examination of candidates for the Director.
2. The Company shall conduct an annual analysis and assessment on the effectiveness of the Board of Directors, and shall disclose a summary of this.
3. Directors of the Company, in the event of concurrently serving as Officers, etc. of other company, shall be limited to a reasonable extent that secures the time and effort required for the execution of their duties at the Company.
4. The Company shall disclose the status of significant concurrent positions, including Officers, etc. positions at other companies, held by Directors.

Article 31 (Policies and Procedures for the Election and Dismissal of Executive Officers)

1. The Company shall use the following as criteria for the election of the Executive Officers and the appointment of the Representative Executive Officers.

(Executive Officer)

A person who has the diverse experience, performance, high level of insight, and high level of expertise, etc., worthy of the Executive Officer, who will contribute to the achievement of the sustainable growth and MSV in the medium to long term of the Group, regardless of nationality, gender, whether from Japan or overseas, or from within or outside the Group.

(Representative Executive Officer)

A person who has a wealth of experience and achievements in corporate management, who will demonstrate high levels of ability worthy of the Representative Executive Officer & President and will contribute to the achievement of the sustainable growth and MSV in the medium to long term of the Group.

2. The Board of Directors, pursuant to the policies of the preceding Paragraph, and based on the deliberations and reports of the Nominating Committee, shall elect and dismiss Executive Officers, and shall appoint and remove the Representative Executive Officers.
3. The Board of Directors, in the case of an Executive Officer or Representative Executive Officer & President falling applicable under any of the following and being able to objectively determine that removal or dismissal would be appropriate, shall dismiss or remove him/her, upon sufficient deliberations at the Board of Directors, based on the reports of the Nominating Committee.
 - (1) In the event of having violated a law or ordinance or the Articles of Incorporation, etc., and it being able to be recognized that significant damage has been caused to the shareholder value of the Group
 - (2) In the event of significant impediment having occurred to the execution of their duties
 - (3) In the event of it being realized that the requirements of the election and appointment standards are not met

Article 32(Successor Plan for Representative Executive Officers, etc.)

The Board of Directors shall continuously consider the ideal person of Representative Executive Officer, etc. who will contribute to the achievement of MSV in light of the social environment and the business environment of the Group and determine candidates for successors to Representative Executive Officer, etc., based on the deliberations and opinions of the Nominating Committee.

Article 33 (Activation of Deliberations at the Board of Directors)

The Company aims to enhance and activate the deliberations of the Board of Directors by having the Representative Executive Officer and the Board Chair cooperate with each other, and by distributing the agenda and materials relating to proposals for a meeting of the Board of Directors to Directors, as well as providing prior explanations on proposals.

Article 34 (Policies on Training for Directors)

1. The Company shall provide training for newly appointed Outside Directors to learn about the organization, business, business category, etc., of the Company upon their assumption of office.
2. The Company shall conduct annual training for all Directors so that they can acquire the knowledge required for the execution of the duties.

Article 35 (Maintenance of Internal Control System)

The Board of Directors, in order to ensure that the business in the whole Group is conducted appropriately, shall prescribe a Basic Policies on the Internal Control System, and shall maintain and monitor the operation of a system for the securing of compliance, the appropriateness of financial reporting, as well as risk management, etc.

Chapter 5 - Dialogue with Shareholders

Article 36 (Basic Policy on Dialogue with Shareholders)

1. The Company, through the thorough performance of fair information disclosures (fair disclosures) and ongoing dialogue with domestic and overseas shareholders, shall construct a relationship of trust with shareholders and reduce information asymmetry.
2. The Company, for constructive dialogue with shareholders, shall endeavor to ascertain the shareholder structure, and will pay close attention to any possibility of a leakage of insider information in having such dialogue.
3. The Company shall designate the Representative Executive Officers & Co-Presidents, and General Manager of Investor Relations as the points of contact for dialogue with shareholders, and also shall arrange for opportunities for dialogue with Outside Directors.
4. The Company shall provide appropriate feedback to the Board of Directors on the opinions of shareholders obtained in the course of the dialogue as appropriate to reflect them in management, and will utilize the opinions of Directors, including Outside Directors, in dialogue with shareholders

Article 37 (System for Dialogue with Shareholders)

The Company, through the partnership of the Representative Executive Officers & Co-Presidents and other management team, and the general managers of the departments set forth below, shall engage in investor relations activities, shareholder relations activities, statutory disclosures, timely disclosures, and important decisions disclosures.

- Investor Relations
- Public Relations
- Finance & Accounting
- Corporate Governance
- Other relevant departments

Supplementary Provisions

Article 1 (Periodic Review and Amendment)

The content of these Policies shall be reviewed periodically and amended by a resolution of the Board of Directors as appropriate. However, amendments of Article 27 shall be in accordance with the resolution of the Compensation Committee.

End

Enactment:	November 20, 2015
Amendment:	July 1, 2016
Amendment:	March 3, 2017
Amendment:	March 28, 2018
Amendment:	November 28, 2018
Amendment:	March 28, 2019
Amendment:	January 9, 2020
Amendment:	March 26, 2020
Amendment:	July 31, 2020
Amendment:	February 10, 2021
Amendment:	March 26, 2021
Amendment:	May 14, 2021
Amendment:	September 21, 2021
Amendment:	January 14, 2022
Amendment:	March 29, 2022
Amendment:	February 14, 2024
Amendment:	February 14, 2025

Annex 1

< Independence Criteria for Outside Director >

1. The Company will determine that Outside Directors or candidates for Outside Directors are sufficiently independent from the Company if they are found to satisfy all the requirements prescribed in the following items as a result of a reasonable investigation by the Company.
 - (1) The person in question is not a controlling shareholder (Note 1) of the Company.
 - (2) The person in question is not an executive (Note 3), a director or an ex-member (Note 4) of the parent company of the Company (Note 2).
 - (3) The person in question is not an executive or an ex-executive (Note 5) of the Company or any of the subsidiaries of the Company (hereinafter “the Group”).
 - (4) The person in question is not an executive or an ex-executive of a sister company of the Company (Note 6).
 - (5) The person in question does not fall under any of the following persons either currently or anytime during the past three years:
 - ① A major shareholder of the Company (Note 7) or an executive of such a shareholder
 - ② A person whose major business partner is the Group (Note 8) or an executive of such a person
 - ③ A major business partner of the Group (Note 9) or an executive of such a business partner
 - ④ A person belonging to an audit corporation that conducts statutory audits of the Group
 - ⑤ A person who receives a significant amount (Note 10) of money, etc. from the Group, in addition to remuneration of Officers
 - ⑥ An executive of an organization that receives a significant amount (Note 10) of donation or aid from the Group
 - (6) The person in question is not a spouse or a relative within the second degree of kinship of a person falling under any items from (1) to (5) above.
2. Independent Directors shall strive to maintain the independence prescribed by these Independence Criteria until the resignation from office. If an Independent Director no longer satisfies these Independence Criteria, he/she shall promptly notify the Company of the fact.

Notes:

1. A controlling shareholder means an individual among the controlling shareholders set forth in the “Securities Listing Regulations (Tokyo Stock Exchange)” (Listing Regulations) Article 2, Item 42-2, Article 3-2 of the Enforcement Regulations of the same.
2. Parent company means the parent company set forth in the “Regulations on Terminology, Forms and Methods of Preparation of Financial Statements” (Financial Statement Regulations) Article 8, Paragraph 3.
3. An executive means an executive director, an Executive Officer, a corporate officer, and a person holding a similar position at a corporation or other organization.
4. An ex-member means a person who was an executive or a director during the past 10 years.
5. An ex-executive means a person who has been an executive anytime during the past 10 years.
6. A sister company means another company who has the same parent company as the Company.
7. A major shareholder means a person who directly or indirectly holds 10% or more of the total voting rights.

8. A person whose major business partner is the Group means a person who has received from the Group a payment equivalent to 2% or more of the annual consolidated sales revenue or annual consolidated net sales for the latest fiscal year of that person.
9. A major business partner of the Group means a person who has paid to the Group an amount equivalent to 2% or more of the annual consolidated sales revenue for the latest fiscal year of the Company or a person who has an outstanding balance of loans to the Company that is equivalent to 2% or more of the consolidated total assets of the Company as of the end of the latest fiscal year of the Company.
10. A significant amount means an amount exceeding an annual amount of 10 million yen on average over the past three fiscal years of the Company.

End