

Independence Standards for Outside Directors

Any individuals to whom the following standards apply will not be deemed independent and will not be appointed.

In the following standards, “close relative” refers to a person within the second degree of kinship, and “important employee” refers to a person with a rank of general manager or higher.

1. A person or a close relative of said person who is or was an executive or employee of the Group
(Within the past three years for close relatives)
2. A person or a close relative of said person who is or was a person performing an executive role at a company for whom the Company is a major business partner*
* A company for which the volume of business with TS TECH comprises 20% or more of the relevant business partner’s revenue
3. A person or a close relative of said person who is or was a person performing an executive role at a company for whom the Group is a major business partner*
(Within the past three years for close relatives)
* A company for which the volume of business with the TS TECH Group comprises 2% or more of the Group’s consolidated revenue
4. A person or a close relative of said person who is or was a person performing an executive role at a major customer* of the Company
(Within the past three years for close relatives)
* A company with which the volume of business with TS TECH comprises 20% or more of TS TECH’s non-consolidated revenue
5. A person or a close relative of said person who is or was a person performing an executive role at a major customer* of the Group
(Within the past three years for close relatives)
* A company with which the volume of business with the TS TECH Group comprises 2% or more of the Group’s consolidated revenue
6. A person who is or was a consultant, an accounting professional, or a legal professional who receives or received a large amount of money or other property* other than executive remuneration from the Company
(If the recipient of the relevant other property is an organization such as a company or a union, a person who belongs to the relevant organization)
* Money or other property that exceeds 5 million yen annually (12 million yen for organizations) or an amount of compensation that exceeds 1% of the relevant firm’s annual revenue

7. A person or a close relative of said person who is or was within the past three years an executive or employee of a major lender* of the Group
* A financial institution from which the Group borrows, and the balance of borrowings comprises 2% or more of the Company's consolidated total assets at the end of the Company's business year
8. A person or a close relative of said person who is or was within the past three years a major shareholder* of the Company or an executive director or an important employee at said major shareholder
* A shareholder that effectively holds 5% or more of the Company's shares
9. A person or a close relative of said person who is or was within the past three years an executive director or an important employee at a company with which there is a mutual appointment relationship of outside directors
10. A person or a close relative of said person who is or was an executive director or an important employee at an entity that receives donations from the Company
(Within the past three years for close relatives)
11. A person or a close relative of said person who is or was an employee or an important employee at the auditing firm that conducts the Group's legal audits
(Within the past three years for close relatives)
12. A person or a close relative of said person who is or was an executive director or an important employee at a company which is a major stakeholder* of the Group
(Within the past three years for close relatives)
* A stakeholder that directly or indirectly holds more than 10% of TS TECH's total voting rights

August 2022 Resolution of Board of Directors