

Independence Criteria for Outside Officers

Sanwa Holdings Corporation (hereinafter referred to as the "Company") stipulates the independence criteria for Outside Officers (Outside Directors) as follows, and in the event that an Outside Officer does not fall under any of the following items, the Outside Officer possesses independence from the Company, and it is determined that no conflict of interest with general shareholders will arise.

- 1) A party who is or was executive director, corporate officer, or other staff member or employee (referred to collectively below as "Business Executive") in the Company Group (*1).
- 2) A party who holds the Company Group to be a major trading partner (*2), or a Business Executive thereof.
- 3) A party who is a major transaction partner (*3) of the Company Group, or a Business Executive thereof.
- 4) A consultant, certified public accountant, or legal specialist who is receiving large amounts of money or other assets (*4), excluding Director compensation, from the Company Group (In the case that the party receiving said assets is an organization such as a corporation or association, then persons who belong to the organization in question).
- 5) Persons belonging to an auditing firm that conducts legal audits of the Company Group.
- 6) Parties who receive donations or grants (*5) that exceed a certain amount from the Company Group (in the event that the party receiving the donations or grants in question is an organization such as a corporation or association, a Business Executive in the organization in question).
- 7) A major financial institution (*6) that is a lender of the Company Group, or a Business Executive in its parent company or subsidiary.
- 8) A major shareholder (*7) of the Company Group, or in the event that said major shareholder is a corporation, a Business Executive at the corporation in question.
- 9) Persons who have fallen under items 2) through 8) above within the past three years.
- 10) Close relations, etc., (*9) of persons falling under 1) through 9) above (restricted to parties in an important position (*8))
- 11) Even in the event that a person falls under 1) through 10) above, in light of the person's character, acumen, etc., with regard to persons who have been determined to have independence, it is possible that they will become an independent officer of the Company if, at the time of Outside Officer election, the reasons for which are explained and revealed.

Notes:

- *1 The Company Group refers to the Company and associated companies (subsidiaries and affiliate companies).
- *2 Major transaction partners of the Company refer to a transaction partner group that provides products or services to the Company Group (refers to direct transaction partners, their parent companies and subsidiaries, and corporate groups that consist of the subsidiaries of the parent companies in question. The same applies below), and the average transaction amount for the past three fiscal years exceeds 2% of the group in question's annual consolidated net sales.
- *3 A major transaction partner of the Company Group refers to a transaction partner group that is provided products or services by the Company Group, and where the average transaction value of the past three fiscal years exceeds 2% of the Company Group's annual consolidated net sales.
- *4 A large amount of money or other assets refers to an amount exceeding, in the case of an individual, ¥10 million per annum or, in the case of an organization, 2% of the organization's annual consolidated net sales, in the most recent fiscal year.
- *5 Donations or grants that exceed a certain amount refer to donations or grants that exceed ¥10 million per annum on average for the past three business years, or 2% of the other party's gross income for the most recent business year, whichever is greater.
- *6 A major financial institution refers to a financial institution in which the total amount lent at the end of the most recent business year exceeds 2% of the Company's consolidated assets.
- *7 A major shareholder refers to a shareholder that possesses a ratio of 10% or more of voting rights (includes both direct possession and indirect possession).
- *8 A party in an important position refers to a director (excluding outside directors), executive officer, corporate officer, or employees that are high-level executives of general manager level or above, as well as persons belonging to auditing firms or accounting firms, including certified public accountants, persons belonging to legal firms, including lawyers, persons who belong to corporations such as foundations, incorporated associations, educational corporations, including administrators such as councilors, administration officers, and auditor-secretaries, and persons that could objectively and reasonably be judged to hold equivalent important positions.
- *9 Close relation refers to a spouse and relatives within two degrees of kinship.