

## Criteria for Independence of Outside Directors

Sun Asterisk Inc.

Sun Asterisk has established the following criteria to determine the independence of outside directors in order to ensure the independence of those who serve as outside directors and thereby establish a sound corporate governance system. The Company will determine that an outside director or a candidate for outside director has sufficient independence from the Company if, as a result of the Company's investigation to the extent reasonably possible, it is confirmed that none of the following items applies to the outside director or the candidate for outside director:

1. An executive officer(\*1) of the Company or its subsidiaries (hereinafter referred to as "the Company's group")
2. A person or entity that directly or indirectly holds 10% or more of the total voting rights of the Company, or a person or entity that executes the business of the Company
3. A person or entity that is a major business partner (\*2) of the Company's group, or a person who executes the business of such a person or entity
4. A major business partner (\*3) of the Company's group or a person who executes the business of such a partner
5. A major borrower (\*4) of our group or a person who executes the business of such borrower
6. Consultants, accounting experts, or legal experts who receive a large amount of money or other assets (\*5) from our group other than remuneration for directors. If these persons are corporations, partnerships, or other organizations, they include persons who belong to such organizations.
7. Persons who receive a large amount of donation or grant (\*6) from our group, or a director or other executive person of a corporation, partnership, or other organization.
8. Persons who belong to an auditing firm that conducts legal audits of our group
9. Persons who have fallen under item 1. above for the past ten years.
10. Persons who have fallen under items 2. through 8. above for the past three years.
11. A spouse or relative within the second degree of kinship of a person who falls under any of the items 1. through 8. above, if such person is a significant person (\*7).
12. In addition to the above, a person who has special reasons that prevent him or her from performing his or her duties as an independent outside director, such as the possibility of a permanent conflict of interest with general shareholders as a whole.

(\*1) An executive officer is an executive director, executive officer, corporate officer, or other similar officer or employee of a corporation, etc., who executes the business of a corporation, etc.

(\*2) A person who is a major business partner of the Company means a person whose transaction amount with the Company exceeds 2% of the consolidated sales of the relevant business partner in the most recent fiscal year.

(\*3) A "major customer" of the Company means a party whose transaction amount with the Company in the most recent fiscal year exceeded 2% of the Company's consolidated net sales.

(\*4) A "major lender" is defined as a lender whose borrowings from a lender exceeded 2% of the total consolidated assets of the Company as of the end of the most recent

fiscal year.

- (\*5) "Large amount of money or other assets" means assets exceeding 10 million yen in the most recent fiscal year, other than remuneration for directors and corporate auditors. However, if the person receiving such assets is a corporation, partnership, or other organization, it means assets exceeding 2% of the consolidated sales or gross income of the organization.
- (\*6) A large donation or grant means a donation or grant of 10 million yen or more per year.
- (\*7) "Important person" means an employee who executes important operations such as executive directors, executive officers, corporate officers, and department heads.