

Basic Policy on Corporate Governance

T. HASEGAWA CO., LTD.

Chapter 1 General Provisions

(Basic approach to corporate governance)

Article 1 As a listed company, the Company observes the following five basic principles concerning corporate governance and aims for sustainable growth and maximization of its corporate value through proper and prompt business judgment and timely and appropriate execution of duties while striving to enhance management-check functions and ensure compliance with laws and regulations.

- (1) Securing the rights and equal treatment of shareholders
- (2) Developing good relationships with stakeholders (other than shareholders)
- (3) Creating a supportive work environment for employees
- (4) Ensuring timely and appropriate information disclosure and transparency
- (5) Enhancing management oversight by the Board of Directors and the Audit & Supervisory Board and ensuring accountability to shareholders

Chapter 2 Securing the rights and equal treatment of shareholders

(Securing the rights of shareholders)

Article 2 The Company shall make efforts to create an environment for prompt and proactive disclosure of information and the smooth exercise of rights so as to substantially secure the voting rights and other rights of shareholders at the General Meeting of Shareholders.

2. After confirming the progress in the development of the corporate governance system of the Board of Directors, the Company shall stipulate in its Articles of Incorporation that part of the matters to be resolved at the General Meeting of Shareholders are delegated to the Board of Directors, and shall flexibly implement capital policies in response to changes in the management environment.
3. Recognizing the importance of shareholders' rights, the Company shall establish an appropriate environment for the exercise of their rights to ensure the substantial equal treatment of shareholders. With regard to the exercise of minority shareholder rights, the Company shall establish procedures for exercising such rights and methods for confirming shareholders in its internal rules, and create an environment that enables the smooth exercise of such rights.

(General Meeting of Shareholders)

Article 3 Recognizing that the General Meeting of Shareholders is the highest decision-making body in the Company and a forum for constructive dialogue with shareholders, the Company shall maintain

an environment for exercising rights at the General Meeting of Shareholders.

2. For information deemed necessary for the exercise of appropriate judgment by shareholders at the General Meeting of Shareholders, the Company shall enhance the content of the notice of convocation and provide such information by disclosing quarterly financial results, securities reports, quarterly reports, presentation slides, timely disclosure documents, and other IR documents on the Company's website in a timely manner.
3. The Company shall make efforts to send out the notice of convocation early enough to ensure that shareholders have sufficient time to examine the agenda while securing the accuracy of information stated in the notice of convocation, and shall disclose the notice of convocation on the Company's website and the Tokyo Stock Exchange's website prior to the date of sending out the notice of convocation.
4. The Company shall set the date of the General Meeting of Shareholders by keeping in mind a timetable for allowing more shareholders to attend the General Meeting of Shareholders and securing a sufficient audit period for the Accounting Auditor to conduct effective audits.
5. The Company shall translate the notice of convocation into English and disclose it on the Company's website and the Tokyo Stock Exchange's website in light of the shareholder composition of the Company.
6. The Company shall make efforts to create an environment that enables shareholders to properly exercise their voting rights by using an electronic voting platform, etc.
7. In the event that an institutional investor that holds the Company's shares in the name of a trust bank requests, in advance, to exercise said voting rights by itself on behalf of the trust bank at the General Meeting of Shareholders, the Company shall consider the matter while discussing it with the trust bank.
8. If the Board of Directors finds that a considerable number of opposing votes were cast against a proposal of the Company that was approved by the General Meeting of Shareholders, the Board of Directors shall analyze the causes thereof and consider, on an individual basis, whether dialogue with shareholders or other measures are necessary.

(Basic policy on capital policies)

Article 4 In order to achieve sustainable growth and maximization of corporate value in the future, the Company believes that it is necessary to maintain shareholders' equity at a level that enables appropriate support for growth investment and risk response.

With respect to shareholder returns, the Company's basic policy is to return profits to shareholders in accordance with its business performance while securing internal reserves necessary for reinforcing the Group's management base and future business development. The Company shall pay dividends of surplus twice a year, interim and year-end dividends, with a target of around 35% of the consolidated dividend payout ratio.

2. When implementing a capital policy that will result in a change of control or large-scale dilution, the Company shall promptly disclose its consideration process, objectives of such implementation and other information, and shall make efforts to provide sufficient explanations to shareholders as necessary, including explanations at the General Meeting of Shareholders and financial results briefings.

(Policy on cross-shareholdings)

Article 5 The Company may hold shares of business partners for the purpose of enhancing its corporate value by maintaining and strengthening favorable business relationships with such business partners. Cross-shareholdings shall be examined annually by the Board of Directors for the appropriateness of holding such shares from a medium- to long-term perspective in light of the purpose of holding them and economic rationality. If the holding of any shares is not regarded as rational as a result of such examination, those shares shall be reduced.

2. With respect to the exercise of voting rights attached to cross-shareholdings, the Company shall, while respecting the management policy of the companies in which it holds shares, appropriately evaluate and judge the content of the agenda from the perspective of improving the medium- to long-term corporate value of the Company and the companies in which it holds shares and the shareholder return policy. In the event that a company in which the Company holds shares suffers a prolonged business slump, engages in reorganization, commits a material compliance violation, or may cause a conflict of interest with the Company, the Company shall exercise its voting rights after thorough examination.
3. If a shareholder holding the Company's shares for the purpose of cross-shareholding indicates its intention to sell such shares, the Company shall not prevent such sale by implying a reduction of business transactions. In addition, the Company shall not conduct, with shareholders holding the Company's shares for the purpose of cross-shareholding, transactions that would harm the common interests of the Company or shareholders, such as continuing transactions without sufficiently verifying the economic rationality of such transactions.

(Anti-takeover measures)

Article 6 The Company recognizes that sustainable growth and maximization of corporate value in the future are of paramount importance and currently has no plans to introduce any anti-takeover

measures.

2. In the event that the Company's shares are subject to a tender offer, the Company shall promptly disclose the views of the Company's Board of Directors, because such tender offer may cause changes in the composition of shareholders and may affect the interests of shareholders. The Company shall also respect the rights of shareholders and not prevent them from accepting the tender offer.

(Transactions between related parties)

Article 7 When conducting transactions with related parties, such as Directors and major shareholders, the Company shall do so after obtaining the approval of the Board of Directors and report the results to the Board of Directors in accordance with the internal rules.

Chapter 3 Appropriate collaboration with stakeholders other than shareholders

(Formulation of the management philosophy as the basis for medium- to long-term enhancement of corporate value)

Article 8 Based on the management philosophy of "providing our customers with products that are safe and secure," the Company shall establish the Product Quality/Food Safety Policy and make efforts to ensure that all employees are fully aware of it in order to realize the management philosophy. In the company precepts, the Company shall also set forth principles and a frame of mind as guidelines for employees who work for the Company, and make efforts to disseminate them.

The Company shall post its management strategies and medium-term three-year plan in its presentation slides for financial results briefings and disclose them on the Company's website and the Tokyo Stock Exchange's website.

(Formulation and implementation of the Company's code of conduct)

Article 9 The Company shall formulate the T. Hasegawa Corporate Code of Conduct, disseminate it to all officers and employees, and create an environment that enables it to be distributed and confirmed at any time.

The Company shall also mention its responsibilities to stakeholders in its management policies, and make efforts to cooperate with stakeholders.

2. The Company shall conduct an annual comprehension test to ensure that all employees are informed of the behavioral standards and norms that require compliance with integrity and ethics, and shall report the results to the Compliance Committee and the Risk Management Committee, whose members include Directors, and to the Board of Directors as necessary.

(Sustainability issues, including social and environmental issues)

Article 10 Recognizing that addressing sustainability issues (medium- to long-term sustainability, including ESG factors) is an important management issue that not only reduces risks but also leads to earning opportunities, the Company shall promote business activities that give due consideration to social sustainability.

2. The Company shall formulate the CSR Policy and strengthen its sustainability initiatives, including responsible procurement, reduction of environmental impact, human rights and labor, and product quality and safety, while capturing business opportunities through innovation, in order to thoroughly manage risks. In addition, as a member of society, the Company shall build and strengthen relationships of trust with each stakeholder, and contribute to the creation of an enriched society by solving social problems through flavor and fragrance technology.
3. The Company recognizes that passing on our irreplaceable Earth to future generations is the most important challenge shared by mankind, and, as a manufacturer of flavors and fragrances, the Company shall establish an environmental philosophy of acting in consideration of environmental protection in all of our business activities in order to clarify the Company's stance toward global environmental conservation.

The Company shall also formulate the Environmental Safety Activity Policy, and each operations site shall implement specific policies and measures based on company-wide policies. The Environmental Safety Activity Policy shall be reviewed once a year to promote continual improvement.

(Ensuring diversity in the Company, including promotion of participation by women)

Article 11 Recognizing that the participation of diverse human resources, regardless of gender, age, and nationality, is important in securing the Company's sustainable growth, the Company shall ensure the diversity of human resources.

In addition, with the aim of creating a workplace open to women in light of social conditions, the Company shall promote the recruitment of female employees and the development and promotion of female managers and executives.

(Whistleblowing)

Article 12 In order to prevent the occurrence of illegal acts, to prevent potential illegal acts from going unaddressed or being covered up, and, in the event illegal acts occur, to promptly identify them, discuss countermeasures, and correct them, the Company shall establish the Compliance Committee to regularly investigate whether illegal acts are occurring at the Company, and establish a whistleblowing system to receive reports of illegal acts.

The department in charge of the whistleblowing system shall check the status of whistleblowing by officers and employees of each Group company, regularly report on its status to the Compliance Committee, whose members include Directors, and report on the status of its

operation to the Board of Directors as necessary.

2. In addition to multiple internal whistleblowing channels, the Company shall establish a whistleblowing channel to outside attorneys who are independent of management. The Company shall also clearly indicate in its internal rules that it shall protect consultants and whistleblowers and not treat them in any way that is unjust, and shall ensure that all officers and employees of the Group are fully aware of the same.

Chapter 4 Ensuring appropriate information disclosure and transparency

(Enhancement of information disclosure)

Article 13 When disclosing information, the Company shall make efforts for timely and appropriate disclosure through simple and specific statements in order to accurately communicate information to shareholders and other stakeholders.

2. The Company shall appropriately disclose financial information, such as the Company's financial position and operating results, and non-financial information, such as its management strategy, management issues, and information on risks and governance, as required by laws and regulations. The Company shall also independently work on the provision of information other than that required to be disclosed by laws and regulations.
3. In light of the composition of the Company's shareholders, the Company shall establish an English version of its website, and disclose on its website the English versions of its notices of convocation, quarterly financial results, presentation slides for financial results briefings, FACT BOOK, press releases, and other IR documents, as well as information on sustainability.
4. For corporate information that needs to be disclosed in a timely manner, the Company shall establish a system where the Board of Directors or the Strategic Meeting determines the specific timing and method of disclosure and the Representative Director, the officer in charge of information disclosure, or the head of the Corporate Planning Division discloses such information in a timely manner. In case of emergency, the Representative Director shall decide the timing and method of disclosure and promptly disclose information without going through the Strategic Meeting.

(Outside Accounting Auditor)

Article 14 The Board of Directors and the Audit & Supervisory Board shall ensure sufficient audit time, regular meetings between the outside Accounting Auditor and senior management, including the Representative Director and the Executive Directors, and cooperation with the Audit & Supervisory Board Members and the Audit Division, which is the Internal Audit Department, so that the outside Accounting Auditor can conduct appropriate audits.

2. If the outside Accounting Auditor finds irregularities and requests appropriate responses, or points out deficiencies or problems, the Director in charge shall take the initiative to investigate and correct them under the direction of the Representative Director, and report on the results to the Board of Directors and the outside Accounting Auditor.

Chapter 5 Responsibilities of the Board of Directors

(Organizational structure)

Article 15 The Company shall adopt an organizational structure of a Company with a Board of Company Auditors, as required by the Companies Act. The Company shall also introduce the Executive Officer system for the appropriate division of roles in management and execution.

(Roles and responsibilities of the Board of Directors)

Article 16 The Board of Directors shall, based on its fiduciary responsibility and accountability to shareholders, make efforts to achieve sustainable growth of the Company, increase corporate value over the medium to long term, and improve profitability, capital efficiency, etc.

2. The Board of Directors shall develop a medium-term three-year plan and explain specific measures to achieve the plan at each year-end financial results briefing. The Board of Directors shall review the medium-term three-year plan every year in light of business performance and economic conditions, and explain the background and factors behind any changes.
3. The Board of Directors shall engage in constructive discussion with the Outside Officers on specific management strategies and management plans. The Board of Directors shall also supervise the management status through regular reporting on the execution of business.
4. Every year, the Board of Directors shall analyze and evaluate the effectiveness of the Board of Directors and disclose a summary of the results.

(Delegation to management)

Article 17 The Company shall establish the Board of Directors as a management decision-making and supervisory body, and the Strategic Meeting as an execution body that consists of the Representative Director and the Executive Officers appointed by the Representative Director, in order to build a system to flexibly deliberate on the execution of business.

2. The Board of Directors shall decide on matters stipulated in the regulations of the Board of Directors, such as the basic management policy and important matters, in addition to matters stipulated by laws and regulations or the Articles of Incorporation. Among other matters, the scope of execution by management shall be clearly defined in the internal rules.

(Composition of the Board of Directors)

Article 18 The Board of Directors of the Company shall consist of up to 10 members, in accordance with the Articles of Incorporation, for active discussion and examination and prompt decision-making. Those members shall be comprised of persons who, regardless of whether they are from within or outside the Company, have diverse knowledge and experience. Multiple Outside Directors shall also be appointed in order to strengthen the management-check functions by supervising business execution from a neutral and fair standpoint.

2. The status of concurrent positions of the Directors and the Audit & Supervisory Board Members is disclosed every year in the notice of convocation, the securities report, and other documents. The number of concurrent positions shall be within a reasonable range to appropriately fulfill their roles and responsibilities as Directors and Audit & Supervisory Board Members of the Company.

(Compensation of Directors)

Article 19 In order to ensure transparency and objectivity in the determination of compensation, the Company shall establish a voluntary Compensation Committee, which shall be composed of the Representative Director and the Outside Directors, a majority of which shall be Independent Outside Directors, and which shall be chaired by an Independent Outside Director.

2. The amount of compensation for Directors shall be discussed by the voluntary Compensation Committee, taking business performance, financial position, and economic conditions into consideration, within the maximum compensation amount approved by a resolution of the General Meeting of Shareholders, and shall be determined by the Board of Directors based on the report thereon.
3. The compensation for Directors (excluding Outside Directors) shall consist of basic compensation, bonuses, and stock compensation-type stock options for the purpose of raising morale and motivation to contribute to the medium- to long-term improvement of business performance and shareholder value.
4. The compensation for Outside Directors shall consist solely of basic compensation.

(Appointment of Directors and Audit & Supervisory Board Members)

Article 20 The Board of Directors shall supervise the status of management through regular reporting on the status of business execution. The Board of Directors shall also appropriately evaluate the Company's business performance with the participation of the Outside Officers, and appropriately reflect the evaluation results in the appointment of senior management.

2. In order to ensure transparency and objectivity in the selection of candidates for Directors and Audit & Supervisory Board Members, the Company shall establish a voluntary Appointment Committee, which shall be composed of the Representative Director and the Outside Directors, a majority of which shall be Independent Outside Directors, and which shall be chaired by an Independent Outside Director.
3. In nominating Directors and Audit & Supervisory Board Members, candidates shall be selected widely from within and outside the Company, and candidates shall be selected by the Appointment Committee from various perspectives, including an excellent personality, insight, and strong management ability.
4. The appointment of senior management and the nomination of Director candidates shall be decided on by the Board of Directors based on reporting from the voluntary Appointment Committee.
5. In the event that a senior management member violates laws, regulations, or the Articles of Incorporation of the Company, resulting in significant damage to the Company's corporate value, or a senior management member does not appropriately fulfill his/her roles and responsibilities, the Board of Directors shall decide on the dismissal of such senior management member based on reporting from the voluntary Appointment Committee.
6. In nominating candidates for Audit & Supervisory Board Members, the Appointment Committee shall select persons capable of providing advice and recommendations from a neutral and fair standpoint by utilizing their expertise and experience in management, and who are capable of performing functions and roles to audit and supervise the execution of duties by Directors. Based on the report thereof, the Board of Directors shall make a decision after obtaining the consent of the Audit & Supervisory Board.
One or more persons who have appropriate knowledge of finance and accounting shall be appointed as Audit & Supervisory Board Members.
7. The notice of convocation shall disclose the reasons for the appointment/dismissal of senior management and the nomination of candidates for Directors and Audit & Supervisory Board Members.

(Succession program)

Article 21 The Company shall systematically develop successors to the President and Representative Director by having candidates accumulate experience in business execution and participation in management through attendance at the Board of Directors Meetings, the Strategic Meetings, and

other important meetings. The Board of Directors shall receive advice from the voluntary Appointment Committee and supervise the status of their development.

(Internal control and risk management system)

Article 22 The Company shall establish internal rules concerning the risk management system, and carry out analysis and management of risks and consideration of countermeasures mainly in the relevant departments.

For risks that require company-wide or Group-wide countermeasures, the Risk Management Committee, which is a cross-functional team spanning relevant departments or Group companies, shall be established to analyze and manage risks and consider countermeasures.

2. The Internal Audit Department shall audit and check the functioning of internal control over financial reporting, and monitor the status of company-wide internal control and the appropriateness of business processes.

The results of audits shall be reported to the President and Representative Director whenever necessary.

(Roles and responsibilities of the Audit & Supervisory Board and its members)

Article 23 The Audit & Supervisory Board Members, based on their fiduciary responsibility to shareholders, shall attend the Board of Directors Meetings and other important meetings, and the full-time Audit & Supervisory Board Members shall also attend the Strategic Meetings and other major meetings, and report the results to the Audit & Supervisory Board. In this way, they shall audit and supervise the status of the execution of duties by the Directors in order to enhance the management-check functions. The Outside Audit & Supervisory Board Members shall provide advice and recommendations from a neutral and fair standpoint, utilizing their expertise and experience in management.

2. The Audit & Supervisory Board Members shall ensure cooperation with the Outside Directors and the Outside Audit & Supervisory Board Members through the Independent Officers Meetings, and the full-time Audit & Supervisory Board Members shall exchange opinions with the Outside Directors as necessary. In this way, they shall make efforts to cooperate with the Outside Directors.

(Relationship between the Audit & Supervisory Board and the Outside Accounting Auditor or the Internal Audit Department)

Article 24 The Audit & Supervisory Board shall check the existence of independence and expertise through the exchange of opinions with the outside Accounting Auditor and the status of audit implementation. The Audit & Supervisory Board shall also understand and evaluate the status of the execution of duties through the status of audit implementation by the outside Accounting Auditor and audit reports.

2. If the outside Accounting Auditor finds irregularities and requests appropriate responses, or points out deficiencies or problems, the Audit & Supervisory Board shall establish, under the initiative of the full-time Audit & Supervisory Board Members, a system to request the correction thereof, in cooperation with the Internal Audit Department and relevant divisions.
3. The full-time Audit & Supervisory Board Members, in cooperation with the Internal Audit Department, shall exchange necessary information and check the status of business execution as needed, and provide feedback on information required by the outside Accounting Auditor.
4. The full-time Audit & Supervisory Board Members shall be in attendance every time an internal audit report is made to the President and Representative Director by the Internal Audit Department, and report the details thereof to the Outside Audit & Supervisory Board Members at the Audit & Supervisory Board Meeting.
5. The Outside Audit & Supervisory Board Members, in cooperation with the full-time Audit & Supervisory Board Members, shall enhance the effectiveness of audits by exchanging information with departments in charge of internal audits and internal control. The full-time Audit & Supervisory Board Members and the Internal Audit Department shall hold a meeting once a month to discuss the internal audit plan, conduct interviews about the implementation status of internal audits, exchange information, etc.
6. The Internal Control Departments, including the Audit Division and the Corporate Planning Division, shall report on the implementation status of internal control at the Board of Directors Meetings and the Audit & Supervisory Board Meetings as necessary.

(Independent Outside Directors)

Article 25 The Board of Directors shall formulate the Independence Criteria for Outside Officers in accordance with the independence criteria for independent officers stipulated by the Tokyo Stock Exchange.

2. In appointing Outside Directors, the Company shall appoint multiple persons who are capable of monitoring the management of the Company from an independent standpoint, taking into consideration the Company's Independence Criteria for Outside Officers and their abundant knowledge and experience in various fields.
3. The Independent Outside Directors shall fulfill their functions and roles to supervise the management of the Company by providing advice and recommendations at the Board of Directors Meetings from a neutral and fair standpoint, based on their experience and expertise in

management. They shall also cooperate with the Audit & Supervisory Board Members who cooperate in the accounting audit and the internal audit to perform the supervisory functions in cooperation with each audit.

4. In order to exchange information and share views from an independent and objective standpoint, the Independent Outside Directors shall establish and regularly hold the Independent Officers Meeting, which shall consist of the Independent Outside Directors and the Independent Outside Audit & Supervisory Board Members.
5. The Independent Outside Directors shall elect the Leading Independent Outside Directors from among themselves in order to further strengthen the system for communication and coordination with management and cooperation with the Audit & Supervisory Board or its members.

(Vitalization of deliberations at the Board of Directors Meetings)

Article 26 In principle, the Board of Directors shall hold a regular Board of Directors Meeting once a month, and in case of emergency, an extraordinary Board of Directors Meeting in a timely manner.

2. The annual schedule for the Board of Directors Meetings shall be determined in January of each year to ensure that the Directors and the Audit & Supervisory Board Members can easily attend the Board of Directors Meetings.
3. Matters to be deliberated in the Board of Directors Meeting shall, in principle, be deliberated in advance at the Strategic Meeting, and the Directors and the full-time Audit & Supervisory Board Members who are members of the Strategic Meeting shall attend the Board of Directors Meeting after fully understanding the content thereof.
4. The officer in charge of the Board of Directors secretariat shall provide materials in advance so that sufficient time can be set aside to examine the content of matters to be deliberated in the Board of Directors Meeting.
5. The officer in charge of the Board of Directors secretariat shall explain the content to the Outside Directors in advance.

A system shall be established so that the Outside Audit & Supervisory Board Members other than the full-time Audit & Supervisory Board Members are provided with materials in advance and receive a report on the results of the Strategic Meeting from the full-time Audit & Supervisory Board Members at the Audit & Supervisory Board Meeting in order to understand the content of the deliberations in advance.

(Acquisition of information and the support system)

Article 27 The Directors and the Audit & Supervisory Board Members shall, as needed, request information that is deemed lacking for them to fulfill their roles and responsibilities effectively, and the officer in charge of the Board of Directors secretariat shall respond to such requests in a timely manner.

2. The Directors and the Audit & Supervisory Board Members shall make full use of the opinions and advice of outside experts (attorneys, certified public accountants, etc.) to examine matters that are deemed to require such opinions and advice for business operations.

The Company shall bear expenses for that purpose unless they are deemed unnecessary for the execution of duties.

(Training of the Directors and the Audit & Supervisory Board Members)

Article 28 The Company shall provide the Directors and the Audit & Supervisory Board Members with opportunities for training that is considered necessary for the proper performance of their respective roles and responsibilities.

Those who are to be newly appointed as an Outside Director or Outside Audit & Supervisory Board Member shall be provided with opportunities for education on basic information, such as the company overview, business lines, management strategies, and financial information.

Chapter 6 Dialogue with shareholders

(Policy for constructive dialogue with shareholders)

Article 29 The Company shall designate a Director in charge of IR and establish a system where the Corporate Planning Division, which is the department in charge of IR, actively engages in dialogue with shareholders and investors as a contact point. The Director in charge of IR shall respond to individual requests from shareholders and investors to the extent possible and reasonable.

The said Director shall also work with relevant internal departments to obtain information necessary for constructive dialogue.

2. The Company shall hold financial results briefings twice a year to provide opportunities for the President and Representative Director to explain the outline of financial results and management strategies, and make efforts to create opportunities to deepen the understanding of the Company's management strategies, etc.
3. The Company shall regularly ascertain the shareholder structure and make efforts to promote dialogue with shareholders. Information obtained through dialogue shall be fed back to and shared with management and relevant departments as necessary.
4. The Company shall establish internal rules to prevent incidents such as insider trading, and

thoroughly disseminate the content thereof to all officers and employees. The period from the day following the last day of each quarterly accounting period to the announcement of financial results shall be a silent period during which the Company refrains from answering questions or making comments on the outlook for financial results in order to ensure information management.

End

Independence Criteria for Outside Officers

The Company shall consider a candidate for Outside Officer to be independent if the said candidate does not fall under any of the following categories:

1. A party whose major business partner (*1) is the Company, or a person engaged in business execution thereof
2. A major business partner (*1) of the Company, or a Person engaged in business execution thereof
3. A consultant, accounting professional, or legal professional who receives a large amount of money (*2) or other assets from the Company, excluding compensation for officers (in the case where a party who receives those assets is an organization such as a juridical person or an association, a person who belongs to the said organization)
4. A major shareholder who directly or indirectly holds 10% or more of the total voting rights of the Company, or a person engaged in business execution thereof
5. A person who has fallen under any of the above items 1. to 4. during the past three (3) years
6. A spouse or a relative within the second degree of kinship of a person who falls under any of (1) through (3) below (excluding those who are not important):
 - (1) Items listed in 1. through 5. above
 - (2) A person engaged in business execution of a subsidiary of the Company (in the case where an Outside Audit & Supervisory Board Member is to be designated as an independent officer, a Director who is not a person engaged in business execution shall be included)
 - (3) A person who has fallen under either (2) or a person engaged in business execution of the Company in the past one (1) year (in the case where an Outside Audit & Supervisory Board Member is to be designated as an independent officer, a Director who is not a person engaged in business execution shall be included)

*1 "A major business partner" means a business partner whose annual amount of transactions with the Company in the latest business year exceeded 2% of the consolidated net sales of the Company or that of the business partner.

*2 "A large amount of money" in the case of an individual means 10 million yen or more per year, and in the case of an organization, it means 2% or more of the consolidated net sales of the said organization for the latest business year.