

Sodick Co., Ltd., Criteria for the Independence of External Officers*1

Sodick appoints external officers in light of its own original eligibility criteria concerning the independence of external officers (see below) in striving to enhance oversight functions for management and transparency, as well as to strengthen its corporate governance structure.

1. None of the following criteria may apply to external officers.

- (1) Corporate affairs manager for the group*2
- (2) Person considered to be a major business partner of the group*3
- (3) Major business partner of the group*3
- (4) Attorney, certified public accountant, licensed tax accountant, or consultant, who, in addition to officer compensation from the group, receives cash or other property benefits that exceed a certain amount*4
- (5) Individual who receives donations or assistance from the group that exceed a certain amount
- (6) Shareholder who in essence owns 10% or more of general voting rights in the company
- (7) Corporate affairs manager for a corporation that in essence owns 10% or more of general voting rights in the group
- (8) Individual who has a serious business relationship with or stake in the group
- (9) Individuals for whom any of items (1) through (8) above applied during the past three years
- (10) In the event that a person who corresponds to any of items (1) through (9) above is a person of importance,*5 that person's spouse or a relative who is a second-degree relative or closer

Notes:

- *1 External directors and External Audit & Supervisory Board Members
- *2 Corporate affairs manager for a public company, executive, executive officer, individual who carries out business for a non-company corporation or organization, or user (employee) of a corporation or organization including companies
- *3 Individual with business dealings whose transaction value with the group in the most recent business year is 2% or more of consolidated sales for either party (in the event that the business partner concerned is an organization such as a corporation, that entity's corporate affairs manager)
- *4 The total price of which exceeds 10 million yen in one business year in the case of individuals, or exceeds 2% of consolidated sales for either party in the case of organizations such as corporations
- *5 Among corporate affairs managers, an individual who executes important business such as a director (excluding External directors), executive, or executive officer

2. Additionally, individuals must not have any circumstances such that it could be reasonably judged that they cannot perform their duties as an independent external officer.