

【Independence Standards and Qualification for Independent Directors】

Standards and Qualification	Remarks
(i) Relationships with the Company and its subsidiaries (hereinafter collectively referred to as “Pigeon Group”)	
An outside officer shall not be currently acting and shall not have acted in the past 10 years as a director, auditor or employee of Pigeon Group	
(ii) Relationships with business partners	
An outside officer shall not be currently acting and shall not have acted in the past three years as either of the following:	
1)A major business partner of Pigeon Group (Note 1) (or in cases where the major business partner is a corporation, a director, auditor or employee thereof)	Note1: A “major business partner of Pigeon Group” refers to a business partner with respect to which the Pigeon Group’s business transactions with such business partner in the most recent fiscal year amount to 2% or more of annual consolidated net sales of Pigeon Group
2)A business partner who has major transactions with Pigeon Group (Note 2) (or in cases where the party is a corporation, a director, auditor or employee thereof)	Note2: A “business partner who has major transactions with Pigeon Group” refers to a business partner with respect to which such business partner’s business transactions with Pigeon Group in the most recent fiscal year amount to 2% or more of annual consolidated net sales of the business partner
(iii) Relationships with shareholders	
An outside officer shall not currently be or shall not have been in the past three years a major shareholder of the Company (Note 3) (or in cases where the major shareholder is a corporation, a director, auditor or employee thereof)	Note3: A “major shareholder” refers to a shareholder who holds 10% or more of the voting rights in the Company (including indirect shareholdings)
(iv) Relationships with advisors and consultants	
An outside officer shall not be currently acting and shall not have acted in the past three years as either of the following:	
1) A proper employee, partner or employee of Pigeon Group’s Independent Auditor or a proper employee, partner or employee of a certified public accountant or an audit firm that provides advice to Pigeon Group on accounting matters	

<p>2) A person who does not fall under any of the above, but is a certified public accountant, tax accountant, attorney or other consultant (or in cases where the person is a corporation, association or other entity, a proper employee, partner or employee thereof) and who gains from Pigeon Group a substantial amount of cash (Note 4) or other assets other than remuneration for Directors and Audit & Supervisory Board Members</p>	<p>Note4: A “substantial amount of cash” refers to an amount of cash over the past three years averaging 10 million yen or more per year in the case of an individual, or averaging 2% or more of consolidated net sales or total revenues in the case of an entity</p>
<p>(v) Relationships with donation recipients</p>	
<p>An outside officer shall not be currently acting and shall not have acted in the past three years as director, auditor or employee of a corporation or other entity that receives substantial donations (Note 5) from Pigeon Group</p>	<p>Note5: “Substantial donations” refers to average donations over the past three years of 10 million yen or more annually, or exceeding 2% of an entity’s consolidated net sales or its total revenues, whichever is higher.</p>
<p>(vi) Relationships involving close relatives</p>	
<p>An outside officer shall not be a close relative (Note 6) of any person mentioned in (i) to (v) above (excluding immaterial person)</p>	<p>Note6: A “close relative” refers to a spouse or a relative who is within the second degree of kinship</p>