

Outside Officers Independence Standards

Meiko Electronics Co., Ltd. (hereinafter referred to as the “Company”) is working to establish and maintain the effective corporate governance systems. In order to ensure the transparency and objectivity of our management, we have set forth the independence standards for the outside officers. We deem an outside officer or a candidate as independent from the management when the person does not fall under any of the following items in accordance with the standards.

1. Those for whom the Company and its subsidiaries (hereinafter collectively referred to as the “Company Group”) is a major business partner(*1) or their executors of operations(*2);
2. Major business partners of the Company Group(*3) or their executors of operations;
3. Major lenders of the Company Group(*4) or their executors of operations;
4. Major shareholders of the Company(*5) or their executors of operations;
5. Those for whom the Company Group is a major shareholder or their executors of operations;
6. Those who belong to the accounting auditor of the Company Group;
7. Consultants, certified public accountants, attorneys and the like who receive monetary or other property benefits more than 10 million Japanese yen per year aside from officer compensation from the Company Group.
8. Those who are the persons or executors of corporations, cooperatives and the like, that receive donations more than 10 million Japanese yen from the Company Group.
9. Those who have fallen under the item of the above 1 to 8 in the last 5 years;
10. In cases where those who fall under the item below are persons, their spouses of relatives within the second degree of kinship;
 - (1) Those who have fallen under the item of the above 1 to 9.
 - (2) Executors of the subsidiaries of the Company.
 - (3) Non-executive directors of the subsidiaries of the Company. (applicable only for outside auditor)
 - (4) Those who have fallen under the item of the above (2) and (3) in the last 5 years.
 - (5) Executors of the Company within 5 years.
 - (6) Non-executive directors of the Company within 5 years (applicable only for outside auditor)

【notes】

- *1. “Those for whom the Company and its subsidiaries is a major business partner” refer to persons who have received from the Company Group the payment over 2% of their annual sales in any of the recent 3 fiscal years.
- *2. “Executors of operations” refer to executive directors, executive officers, employees, advisers, council members or those equivalent thereto.
- *3 “Major business partners of the Company Group” refer to persons who pay the Company more than 2% of its consolidated annual sales in any of the recent 3 fiscal years.
- *4 “Major lenders of the Company Group” refers to top 3 financial institutions in terms of largest loan amount to the Company at the any of the recent 3 fiscal year end.
- *5 “Major shareholders of the Company” refer to the persons who own directly or indirectly 10% or more of the total voting rights.