

Independence Standards **for Outside Officers**

BELLSYSTEM24 Holdings, Inc. (the “Company”) defines the following standards for determining that Outside Directors and Outside Corporate Auditors have independence (the “Independence Standards”) and designates as independent officers stipulated by Tokyo Stock Exchange, Inc. those who do not fall under any of the Independence Standards.

- (1) A person (or its person performing an executive role) whose major customers*¹ include the BELLSYSTEM24 Group (the “Group”)*²

*1: Meaning cases in which sales between the counterparty and the Group exceed 2% of the consolidated net sales of the counterparty for the most recent business year

*2: Meaning the Company and its subsidiaries and affiliated companies.

- (2) A counterparty (or its person performing an executive role) who is a major customer* of the Group

* Meaning cases in which sales between the counterparty and the Group exceed 2% of the consolidated revenue of the Group for the most recent business year

- (3) A consultant, accountant or lawyer who receives a large amount of monetary compensation or other property*, other than officer’s remuneration, from the Group (if the person who receives the said property is a legal entity, association or other organizations, this means a person who belongs to the said organization.)

* Meaning cases in which the payment amount for the most recent business year of the Group exceeds the following amounts.

- In the case of a legal entity, association or other organizations, the higher of 10 million yen and 2% of the annual sales (total revenue) of the said organization
- In cases other than the above, 10 million yen

- (4) A person who receives a large amount of donation* from the Group (if the person who receives the said property is a legal entity, association or other organizations, this means a person who belongs to the said organization.)

* Meaning cases in which the total amount of donation from the Group exceeds 10 million yen for the most recent business year.

- (5) A major lender* (or its person performing an executive role) for the Group

* Meaning a person within the top three persons who are funding sources of the Group for the most recent business year.

- (6) A major shareholder* (or its person performing an executive role) of the Company

* Meaning a person holding 10% or more of the Company's stock directly or indirectly.

(7) A person performing an executive role at a company whose major shareholder* is the Company

* Meaning cases in which the Company directly or indirectly owns 10% or more of the said company's stock.

(8) A person performing an executive role at an auditing corporation that serves as an accounting auditor of the Group

(9) A person who fell under any of (1) to (8) above in the last 3 years

(10) A close relative* of a person falling under any of the following (limited to an important person)

(a) A person falling under any of (1) to (9) above

(b) A person performing an executive role at a subsidiary of the Company (including Non-Executive Directors or an accounting advisor in cases in which Outside Corporate Auditors are designated as independent officers)

(c) A person who was performing an executive role at a subsidiary of the Company (including Non-Executive Directors or an accounting advisor in cases in which Outside Corporate Auditors are designated as independent officers) for the past 3 years

(d) A person who was performing an executive role at the Company (including Non-Executive Directors in cases in which Outside Corporate Auditors are designated as independent officers) for the past 3 years

* Meaning spouse and relatives within the second degree of relationship

End.