

Established as of March 10, 2016

Criteria for Independence of Outside Officers

MUGEN ESTATE Co., Ltd.

1. The relevant persons themselves may not be those set forth below, either at the present time or in the past three (3) years:

(1) Persons associated with the Company and its subsidiaries (hereinafter referred to as the “Group”);

Persons associated with the Group shall be those who meet the following requirements:

(i) Persons who execute the business (Note 1) of the company whose officers include persons who execute the business of the Group; and

(ii) The accounting auditor of the Group and the lead managing underwriter’s partners or the employees who engage in audits of the Group.

(2) Persons who execute the business of the main lenders (Note 2) of the Group;

(3) Persons who execute the business of the main clients (Note 3) of the Group;

(4) Persons who receive remuneration of over 10 million yen annually from the Group in addition to the executive compensation; and

(5) Persons who execute the business of organizations that receive donations exceeding a certain amount (Note 4) from the Group.

2. The spouse and relatives within the second degree of kinship of the relevant persons may not be those set forth below at the present time (other than insignificant ones):

(1) Persons who execute the business of the Group; and

(2) Persons set forth in Items (1) to (5), Paragraph 1 hereof.

In addition, if it is judged that independence is identified despite failure to meet the requirements above, independence may be recognized upon the disclosure of the reasons for it.

Note 1: Persons who execute the business shall mean important employees.

Note 2: Main lenders shall mean lenders of amounts exceeding 2% of consolidated total assets.

Note 3: Main clients shall mean clients with a transaction amount with the Group exceeding 2% of the consolidated annual sales of the said clients for the last fiscal year.

Note 4: Donations exceeding a certain amount shall mean donations exceeding 10 million yen made annually to some organizations.