

Standards for Independence of Outside Officers of DAIDO METAL CO., LTD.

Established on October 28, 2015

An Outside Director or Outside Audit & Supervisory Board Member is deemed not to have independence from the Company if he/she falls under one of the categories below.

(1) Person related to the Company

A person who currently works or has previously worked for the DAIDO Group within the last ten years.

(2) Person related to the major suppliers

A person who currently is or has previously been an officer or employee of a major supplier to the Company (with which the annual aggregate amount of transactions is 1,000 million yen or more) or its group companies within the last three fiscal years.

(3) Person related to the major business partners

A person who currently is or has previously been an officer or employee of the Company's major business partner (with which the annual aggregate amount of transactions is 1,000 million yen or more) during any of the last three fiscal years.

(4) Person related to the financial institutions

1) A person who currently is or, in the last three fiscal years, has previously been an officer or employee of a financial institution with which the Company currently has transactions of deposits or borrowings of 1,000 million yen or more.

2) A person who currently is or, in the last three fiscal years, has previously been an officer or employee of a company which is a managing underwriter of the Company.

(5) Person related to the parties providing professional services

A person who currently receives, or within the last three years, has received from the Company an annual compensation of 20 million yen or more as the Company's legal counsel (law office), the Company's accounting auditor, a certified tax accountant, patent attorney, judicial scrivener, or as a management, finance, technology or marketing consultant.

(6) Person related to the parties receiving donations or grants from the Company

A person who is a representative or operating officer of an organization (public interest incorporated foundation, public interest incorporated association, not-for-profit organization, etc.) to which the Company has made donations or provided grants exceeding a certain amount (1.0 million yen or 30% of the organization's annual average total expenses, whichever the larger) in the current fiscal year or in the last three fiscal years.

(7) Relatives

A relative of a person who currently works or has previously worked for the DAIDO Group within the last five years (the person's spouse, parent, child, sibling, grandparent, grandchild, or relatives living with the person). A relative of a person coming under aforementioned categories (2) to (5).

(8) Reappointment and reappointed person.

A person who has executed his/her duties as an outside director for a period exceeding ten years without coming under any of the aforementioned categories. In case of reappointment of Audit & Supervisory Board Member, a person who serves for a period exceeding twelve years with three consecutive terms.

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