

Independence Standards for Outside Directors and
Outside Audit & Supervisory Board Members

YONEX (“the Company”) defines its standard for independence of Outside Directors and Outside Audit & Supervisory Board Members as follows.

They are deemed to maintain independence from the Company if none of the following conditions is found to apply from a survey conducted by the Company to a reasonably possible extent.

1. Persons engaged in business execution* 1) of the Company or the Company’s subsidiary (collectively, “the Group”), or persons who have been engaged in business execution of the Group at any time during the past 10 years.
2. Major shareholders (a shareholder holding 10% or more of voting rights including direct and indirect holdings) of the Group or persons engaged in business execution of such shareholders.
3. Persons engaged in an incorporated entity or other organization of which the Group holds 10% or more of voting rights (including direct and indirect holdings).
4. Major business partners of the Group or persons engaged in business execution of such business partners to which the Group provides products or services for which the transaction value in the most recent business year exceeds 2% of the Group's annual consolidated sales.
5. Parties for whom the Group is a major business partner or persons engaged in business execution of such parties that provide the Group with products or services for which the transaction value in the most recent business year exceeds 2% of such business partner group's annual consolidated sales.
6. Persons engaged in business execution of a major incorporated entity from which the Group has borrowings *2).
7. Persons belonging to an auditing firm performing statutory audits of the Group, and have been in charge of the audit of the Group (except for subservient role).
8. Consultants, or legal or accounting professionals compensated with large amounts of money or deriving other financial benefits *3), other than as remuneration of Director or Audit & Supervisory Board Member, from the Group (if these financial benefits are received by incorporated entity such as consulting firm, law firm or accounting firm, or other organization such as union, this item refers to a person engaged in business execution of such organization).
9. Persons receiving donations or grants above a certain threshold *4) from the Group (If the donations or grants are received by an incorporated entity, partnership or other organization, this item refers to a person engaged in business execution of such organization).
10. Persons engaged in business execution of a company accepting directors (Whether full or part time) from the Group, or persons engaged in business execution of the parent company or subsidiaries of such company.
11. Persons to whom any of items 2 through 10 apply during the most recent 3 years.
12. Relative of a person to whom any of items 1 through 11 apply (Limited to a person in an important position).

*5)

- *1) "Persons engaged in business execution" refers to executive directors, executive officers, persons in roles equivalent to these and employees engaged in an incorporated entity or other organization. If it is necessary to judge independence of outside audit & supervisory board members, it includes nonexecutive directors.
- *2) "Major incorporated entity from which the Group has borrowings" refers to financial institutions or major creditors upon which the Group is dependent, and is essential for the Company's financing.
- *3) "Large amounts of money or other financial benefits" refers to amounts in excess of the higher of 10 million yen per person, or 2% of total income of such organization for the most recent business year.
- *4) "Donations or grants above a certain threshold" refers to donations or grants in excess of the higher of 10 million yen or 30% of total expense of such organization for the most recent business year.
- *5) "Persons in an important position" refers to executive directors, executive officers, corporate executives; employees in a management position at the level of department head or higher.