

Translation: Please note that the following purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of investors. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Criteria for Independence of Outside Directors

Park24 Co., Ltd. (“the Company”) believes that, when establishing an appropriate framework concerning corporate governance, outside directors should be as independent as possible to ensure fairness, transparency and objectivity in management.

The Company has set out its own Criteria for Independence of Outside Directors as follows, and any Outside Director (including candidate; hereinafter the same shall apply) who falls under any of the following shall be deemed as not being sufficiently independent from the Company.

1. A person who previously belonged to the Company or one of its consolidated subsidiaries (hereinafter referred to collectively as “the Group”) (see Note 1)
2. A major shareholder of the Company (see Note 2)
3. A person executing the business operations of a company, etc. that falls under any of the following:
 - (i) Major business partner of the Group (see Note 3)
 - (ii) Major lender of the Group (see Note 4)
 - (iii) Company, etc. in which the Group holds 10% or more of the voting rights
4. A person who is currently the accounting auditor of the Group or an employee, etc. of the accounting auditor and is in charge of the Group's auditing services as such an employee, etc.
5. A consultant, certified accountant, tax accountant, legal professional, judicial scrivener, patent attorney or other person providing a specialist service who received from the Group a large amount (see Note 5) of monetary consideration or other properties;
6. A person who has received a large donation from the Group (see Note 6)
7. A person executing the business operations of another company from which a person executing its business operations assumes the office of Outside Director of the Company (see Note 7)
8. A person whose close relative (see Note 8) falls under any of 1 to 7 above (with the exception of 4. and 5., only a person in an important position (see Note 9))
9. A person who falls under any of (2) to (8) above in the past three years;
10. Notwithstanding the foregoing, any other person in relation to whom special grounds that could give rise to a conflict of interests with the Company are deemed to exist.

Notes

1. Refers to an executive director, corporate officer or other employee who currently belongs to the Group (referred to collectively in these Criteria as “a person executing business operations”) or a person executing business operations who once belonged to the Group in the past.
2. A major shareholder shall mean a shareholder who at the end of the fiscal year concerned holds 10% or more of the voting rights of the Company in his or her own name or in the name of another person, or, where the major shareholder is a corporation, association or other organization, a major shareholder shall mean a person executing business operations who belongs to said organization.

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3. A major business partner shall mean a supplier of products, etc. which contribute to the Group's provision of services whose annual transactions with the Company exceed 2% of the Company's consolidated sales or such business partner's consolidated sales.
4. A major lender shall mean a financial institution from whom the Group borrows and whose outstanding loans to the Group at the end of the fiscal year concerned exceeds 2% of the consolidated total assets of the Company or the consolidated total assets of such financial institution.
5. A large sum is defined as follows according to the involvement of the specialist in question in the provision of services.
 - (i) Where such specialist provides services to the Group as an individual, a large sum means when the annual consideration (excluding officers' remuneration) such specialist receives from the Group exceeds ten (10) million yen in a year.
 - (ii) Where a corporation, association or other organization to which such specialist belongs provides services to the Group, a large amount shall mean when the total amount of consideration such organization receives from the Group exceeds 2% of the total annual revenue of such organization.
6. A person who has received a large donation means a person who has received a donation of more than ten (10) million yen in a year from the Group. Where the person who received such donation is a corporation, association or other organization, a person who received a large donation shall mean a person who belongs to such organization and is directly involved in research, education or other activities relating to such donation.
7. Refers to a relationship where a person executing the business operations of the Group is the Outside Officer of another Company and a person executing the business activities of such other company is an Outside Director of the Company.
8. A close relative means spouse or relative within the second degree of kinship.
9. A person with an important position means a director, executive, corporate officer, person executing business operations of general manager rank or above, or any other person executing business operations with authority equivalent to the foregoing.