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Standards Concerning the Independence of Outside Directors

Date of establishment: November 9, 2015

Toyo Ink SC Holdings Co., Ltd.

1. The Board of Directors of Toyo Ink SC Holdings Co., Ltd. (hereinafter referred to as the “Company”) has established the following standards concerning the independence of outside directors for the purpose of recognizing as independent directors the outside directors of the Company with no possibility of causing conflicts of interest with the Company’s ordinary shareholders among the Company’s Outside Directors or Outside Audit & Supervisory Board Members (hereinafter referred to collectively as “outside directors”). The Board of Directors shall not recognize as independent directors any outside directors who correspond to any of the following parties:
 - (1) Business executors¹ of the Company and its affiliates (hereinafter referred to collectively as the “Group”)
 - (2) Parties whose main customer is the Group² or their business executors
 - (3) Main customers of the Group³ or their business executors
 - (4) Business executors of the Company’s major shareholders⁴ or the Company’s important

¹ Business executors shall refer to executive operating officers, operating officers or employees.

² Parties whose main customer is the Group shall refer to parties that correspond to any of the parties described below.

- (1) Groups with business connections that offer products or services to the Group (parties that belong to consolidated groups with which direct customers are affiliated, used in the same way hereinafter) whose transactions with the Group account for two (2) percent or more of their consolidated net sales or total proceeds in the most recent fiscal year
- (2) Groups with business connections to which the Group is indebted whose total loans receivable from the Group account for two (2) percent or more of their consolidated total assets at the end of the most recent fiscal year

³ Main customers of the Group shall refer to parties that correspond to any of the parties described below.

- (1) Groups with business connections to which the Group is providing products or services whose transactions with the Group account for two (2) percent or more of the Group’s consolidated net sales in the most recent fiscal year
- (2) Groups with business connections that are indebted to the Group whose total debts to the Group account for two (2) percent or more of the Group’s consolidated total assets at the end of the most recent fiscal year
- (3) Groups of financial institutions from which the Group has borrowed funds (parties that belong to consolidated groups with which direct lenders are affiliated) whose total loans receivable from the Group account for two (2) percent or more of the Group’s consolidated total assets at the end of the most recent fiscal year

subsidiaries⁵

- (5) Parties receiving a large amount of donations from the Group⁶ or their business executors
- (6) Consultants, accounting experts or legal experts gaining a large amount of money and other assets from the Group other than executive compensation⁷ (parties that belong to the relevant organizations when parties gaining the assets concerned are organizations such as corporations and unions)
- (7) The staff members, partners or employees of certified public accountants and audit corporations that audit the Group as accounting auditors
- (8) The staff members, partners, associates or employees of law offices, audit corporations, tax accounting corporations, consulting or other specialist advisory firms that do not correspond to the parties described in item (6) above or item (7) above whose main customer is the Group⁸
- (9) Business executors for the other relevant companies in cases where the business executors for the Group have assumed positions as outside directors at other companies
- (10) Business executors for companies for which the Company is a major shareholder at present
- (11) Parties that corresponded to the parties described in item (1) above during a period of ten (10) years prior to the assumption of office (during a preceding period of ten (10) years prior to their respective assumption of office for parties that served as a nonexecutive operating officer or an Audit & Supervisory Board Member of the Company at any point during a period of ten (10) years prior to their assumption of office)
- (12) Parties that corresponded to the parties described in item (2) above or item (3) above during any of the last three (3) fiscal years
- (13) Parties that corresponded to the parties described in items (4) to (8) above in the last three (3) years (limited to the parties that actually took charge of audit operations of the Group, other than

⁴ Major shareholders shall refer to parties that directly or indirectly own voting rights that account for ten (10) % or more of the total voting rights.

⁵ Important subsidiaries shall refer to subsidiaries stated as such in items such as the state of important parent companies or subsidiaries (prescribed in Subparagraph 7, Paragraph 1, Article 120 of the Ordinance for Enforcement of the Companies Act), in the relevant company's business reports for recent fiscal years and other materials that the relevant company publishes to the general public.

⁶ Parties receiving a large amount of donations from the Group shall refer to parties that received donations in excess of the larger of an average annual sum of ten million (10,000,000) yen or thirty (30) percent of their average annual cost from the Group in the last three (3) fiscal years.

⁷ Consultants, accounting experts or legal experts gaining a large amount of money and other assets from the Group other than executive compensation shall refer to parties that gained average annual property profits in excess of ten million (10,000,000) yen from the Group other than executive compensation in the last three (3) fiscal years.

⁸ Firms whose main customer is the Group shall refer to firms that received payments from the Group amounting to two (2) percent or more of their average consolidated net sales in the last three (3) fiscal years.

supplementary ones regarding item (7) above, including parties that have retired from or left office)

(14) Close relatives⁹ of the parties stated below:

- a. Important business executors¹⁰ of the Group
 - b. Parties that corresponded to the parties stated in section a. above during the last five (5) years
 - c. Parties stated in items (2) to (10) above (limited to the business executors stated in items (2) to (5), item (9) and item (10) above that are important business executors, parties that belong to the relevant organizations stated in item (6) above that are important business executors or that have professional qualifications in cases where such organizations are audit corporations, law offices and the like, and the staff members, partners or employees of the audit corporations stated in item (7) above that are important business executors or that have professional qualifications, such as certified public accountants
 - d. Parties that corresponded to the parties described in section c. above during the last three (3) years
2. In addition to requiring the fulfillment of the conditions prescribed in section 1 above, the Board of Directors of the Company shall not recognize as independent directors any outside directors whom the Board rationally judges to have conditions that do not permit them to perform duties as independent outside directors.
 3. Independent directors shall work to maintain the independence as prescribed in these Standards until the point of their retirement from office. Independent directors shall immediately notify the Company when they cease to have the independence prescribed herein.
 4. The Board of Directors of the Company may revise or abolish these Standards.

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⁹ Close relatives shall refer to spouses, relatives within the second degree of consanguinity or relatives living together.

¹⁰ Important business executors shall refer to business executors who perform important business, such as executive operating officers, operating officers, general managers and equivalent position holders.