

(TRANSLATION)

Independence Criteria for External Directors and External Corporate Auditors

YUSHIN PRECISION EQUIPMENT CO., LTD. (hereinafter referred to as "the Company") considers external directors and external corporate auditors to be independent when they do not fall into any of the following items.

1. Executors of operations of the Company and its consolidated subsidiaries (hereinafter referred to as "Company Group").
2. Major shareholder (*) of the Company or their executors of operations.
(*) Major shareholder means those who own directly or indirectly 10% or more of the total voting rights.
3. Those for whom the Company Group is a major business partner (*) or their executors of operations.
(*) Those for whom the Company Group is a major business partner means those who have received from the Company the payment of 2% of their consolidated annual sales in the most recent fiscal year or 10 million yen or more, whichever is higher.
4. Major business partners of the Company or their executors of operations.
(*) Major business partners of the Company means those who pay the Company 2% or more of its consolidated annual sales in the most recent fiscal year.
5. Certified public accountant who belong to the auditing firm that is the financial auditor of the Company Group.
6. Consultants, certified public accountants and attorneys who receive a large amount (*) of monetary or other property benefits other than executive remunerations from the Company Group.
(*) A large amount means either in excess of 10 million yen or more for individuals or more than 2% of the consolidated sales of said bodies on average for the past three fiscal years.
7. Those who receive a large amount (*) of donations from the Company Group or their executors of operations.
(*) A large amount means either in excess of 10 million yen or more for individuals or more than 2% of the consolidated sales of said bodies on average for the past three fiscal years.
8. Executors of the other company which mutually dispatch executive to the Company Group.
9. Those who has justifiable reason to be interested in the Company besides the above items.
10. A spouse or relatives within the second degree of kinship who fall under the definition of the above 1 to 9.
11. Those who have fall under the definition of the above 1 to 10 in the last three years.