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Securities Code: 3932
(Sending date) June 9, 2026
(Start of electronic provision) June 3, 2026

To Shareholders:

Tetsuro Koda, President and CEO
Akatsuki Inc.
2-13-30 Kamiosaki, Shinagawa-ku, Tokyo

NOTICE OF THE 16TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are hereby notified that the 16th Annual General Meeting of Shareholders of Akatsuki Inc. (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on the Company website. Please access the following website to view the information.

The Company’s website:

<https://aktsk.jp/ir/> (in Japanese)

(To confirm, access the above website and select “IR,” “Stock Information,” and then “Ordinary General Meeting of Shareholders” from the menu.)

In addition to the Company’s website, the Electronic Provision Measures Matters are also posted on the Tokyo Stock Exchange (TSE) website.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the above TSE website, enter “Akatsuki” under “Issue name (Company name)” or enter our securities code “3932” under “Code,” and click “Search.” Then click “Basic information” and select “Documents for public inspection/PR information” to confirm the “Notice of General Meeting of Shareholders / Materials for General Meeting of Shareholders” field in “Public Inspection Documents.”)

If you are unable to attend the meeting, you may exercise your voting rights in advance either in writing or via the Internet. Please refer to pages 5 to 7 of the reference documents for the General Meeting of Shareholders, and then exercise your voting rights by 6:00 p.m., Wednesday, June 24, 2026.

On the day of the General Meeting of Shareholders, the meeting will also be live-streamed via the Internet so that shareholders may view the proceedings from home. Please refer to “Information on Live Streaming via the Internet” on pages 3 to 4 for viewing precautions. The recording will also be made available on the Company’s website at a later date.

1. Date and time Thursday, June 25, 2026, 10:00 a.m. (Reception opens at 9:30 a.m.)

2. Location Company Event Space
8F oak meguro, 2-13-30 Kamiosaki, Shinagawa-ku, Tokyo

3. Meeting Agenda

Matters to be Reported:

1. Report on the Business Report and Consolidated Financial Statements, as well as the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors for the 16th fiscal year (April 1, 2025 to March 31, 2026)
2. Report on Non-Consolidated Financial Statements for the 16th fiscal year (April 1, 2025 to March 31, 2026)

Matters to be Resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Five Directors |
| Proposal No. 3 | Election of One Auditor |
| Proposal No. 4 | Determination of the Amount and Details of Remuneration Relating to Stock Options for Directors |

- If attending on the day, please submit the enclosed voting rights exercise form at the venue reception. In addition, please also bring this Notice of the General Meeting of Shareholders as an agenda.
- As part of our efforts to conserve electricity, the air conditioning at the venue will be turned down on the day of the event. The meeting will be conducted in light attire (Cool Biz), and we kindly ask for your understanding in advance.
- Matters believed to be of interest to shareholders will be posted in advance on the Company website shown below.
- Comments and questions related to the meeting agenda of this General Meeting of Shareholders are accepted in advance. For more information, please refer to “Information on Live Streaming via the Internet” on pages 3 to 4 of this Notice of Convocation.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on each of the above websites.
- In the event of any updates to the above content owing to future changes in circumstances, notification will be provided on the Company’s website below, so please confirm it as appropriate.

The Company’s website (<https://aktsk.jp/ir/> (in Japanese))

Live Streaming via the Internet

The General Meeting of Shareholders will be live-streamed via the Internet. Shareholders who are unable to attend the meeting are requested to view the live stream.

Details of the website URL, access method, and procedures required to view the live stream are as follows. The meeting can be viewed online on the day of the General Meeting of Shareholders via the Company's designated website (<https://aktsk.zoom.us/j/93015164265?pwd=aZou3DnjsxiCgkQlfKvdLJYjvrllya.1>). Matters considered to be of interest to our shareholders will be posted on the Company website (<https://aktsk.jp/ir/> (in Japanese)) in advance. You can also submit comments and questions in advance via the same website.

*Carefully read the following notes before using the website.

1 Streaming date and time

Thursday, June 25, 2026, 10:00 a.m.

- * The live stream will be available from approximately 9:30 a.m. on the day of the meeting.
- * If you experience difficulty viewing the meeting due to communication problems, a recording of the meeting will be posted later on the Company's website (<https://aktsk.jp/ir/> (in Japanese)), so please check the website at that time.

2 Access method

<Access URL>

<https://aktsk.zoom.us/j/93015164265?pwd=aZou3DnjsxiCgkQlfKvdLJYjvrllya.1>

<Meeting ID> 930 1516 4265

<Passcode> 797449

<Telephone> +81363628317



Please access the above URL or scan the QR code on the right to access the live meeting. If you participate by phone, you will be able to listen to the audio only.

* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

For other viewing methods, please open the URL below and select “Join Zoom Meeting.”

https://support.zoom.com/hc/ja/article?id=zm_kb&sysparm_article=KB0060745

3 Precautions for Viewing the Live Stream

- (1) The live streaming via the Internet is a “participatory virtual shareholders’ meeting”; therefore, viewing the meeting does not constitute attendance at the General Meeting of Shareholders under the Companies Act. Please exercise your voting rights in advance either in writing or via the Internet.
- (2) This live streaming is for viewing only. Questions and answers will not be available.
 - * After the conclusion of the General Meeting of Shareholders, the Company plans to post questions received from shareholders on our website (<https://aktsk.jp/ir/> (in Japanese)), except for those determined to be unrelated to the meeting agenda of this General Meeting of Shareholders, those that are similar to other questions, questions that may violate privacy or are considered disparaging to others, and other matters that cannot be made public. Please also refer to this.
- (3) We will make every effort to ensure stable streaming on the day of the meeting; however, due to the communication environment, disruptions to the video or audio of the live streaming, temporary interruptions, or other communication problems may occur. We appreciate your understanding in advance.
- (4) Please refrain from filming, video recording, or audio recording. Providing video or audio recordings of the General Meeting of Shareholders to third parties is strictly prohibited.
- (5) We will take care to ensure that the appearance of shareholders attending the meeting at the venue is not captured in the video; however, they may unavoidably appear in the footage in some cases. We ask for your understanding.

4 Method for submitting preliminary comments and questions

<URL> <https://forms.gle/aGfGoEFoLhuLflj19>

Please enter the above URL to access the site for submitting questions before the meeting.

Enter your questions related to matters for the General Meeting of Shareholders from the “Preliminary Question Submission” site. Comments and questions are limited to two questions per person, and each question must be no longer than 150 characters.

<Deadline for accepting preliminary questions> 6:00 p.m. Wednesday, June 17, 2026

- * The Company plans to post questions received from shareholders by the date of the General Meeting of Shareholders that are considered to be of interest to shareholders on our website (<https://aktsk.jp/ir/> (in Japanese)), except for those determined to be unrelated to the meeting agenda of this General Meeting of Shareholders, those that are similar to other questions, questions that may violate privacy or are considered disparaging to others, and other matters that cannot be made public.
- * Some comments and questions received after the acceptance period may be addressed on the day of the meeting.
- * On the day of the General Meeting of Shareholders, the Company plans to focus on addressing matters that are believed to be of particular interest to shareholders and matters related to proposals. However, it may not be possible to address all submitted questions, opinions or comments due to the proceedings of the General Meeting of Shareholders or because of the content thereof.

Instructions Concerning the Exercise of Voting Rights

Please exercise your voting rights using one of the three methods below.

1. Mailing of Voting Rights Exercise Form

Deadline for exercise To arrive by no later than 6:00 p.m. on Wednesday, June 24, 2026

Please indicate your vote for or against the proposals on the voting rights exercise form and mail it soon to ensure that it arrives by the deadline for exercise.

* Cases where there is no indication of a vote for or against a proposal will be considered an indication of approval.

2. Exercise via the Internet, etc.

Deadline for exercise By 6:00 p.m. on Wednesday, June 24, 2026

Please enter your votes for or against the proposals in accordance with the instructions on the next page.

3. Attendance at the General Meeting of Shareholders

Date and time Thursday, June 25, 2026, 10:00 a.m. (Reception opens at 9:30 a.m.)

Please submit the enclosed voting rights exercise form at the venue reception.

(For Institutional Investors)

You may use the Electronic Voting System Platform operated by ICJ, Inc.

Instructions on the Exercise of Voting Rights via the Internet, etc.

Method of Scanning the QR Code, “Smart Vote”

You can log in to the voting rights exercise website without entering your voting rights exercise code or password.

- 1 Please scan the QR Code on the bottom right of the voting rights exercise form.
* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
- 2 On the screens that follow, please enter your votes for or against the proposals in accordance with the instructions on-screen.

The exercise of voting rights by “Smart Vote” is limited to once only.

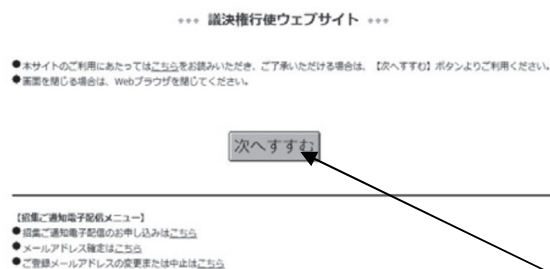
If you wish to change the content of any votes after exercising your voting rights, please access the PC website, log in using the “voting rights exercise code” and “password” on your voting rights exercise form, and exercise your voting rights again.

* If you scan the QR Code again, you will be redirected to the PC website.

Method of Entering Voting Rights Exercise Code and Password

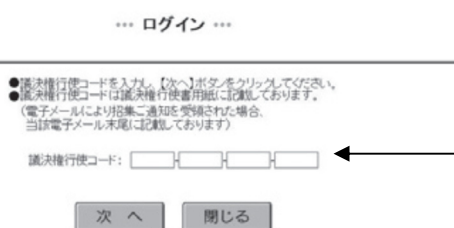
Voting rights exercise website <https://soukai.mizuho-tb.co.jp/> (in Japanese)

- 1 Please access the voting rights exercise website.



Click “次へすすむ (next)”

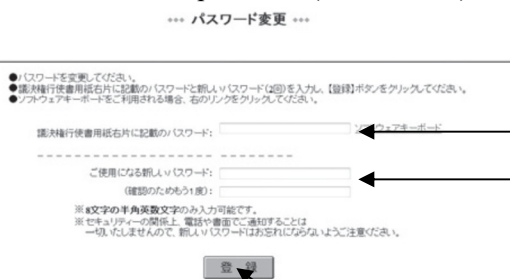
- 2 Please enter the “voting rights exercise code (議決権行使コード)” on your voting rights exercise form.



Enter “議決権行使コード(voting rights exercise code)”

Click “次へ (next)”

- 3 Please enter the “password (パスワード)” on your voting rights exercise form.



Enter “初期パスワード (initial password)”

Enter “ご使用になる新しいパスワード (the new password that you will actually use)”

Click “登録 (register)”

- 4 On the screens that follow, please enter your votes for or against the proposals in accordance with the instructions on-screen.

If anything is unclear regarding how to use your PC or smartphone to exercise voting rights via the Internet, etc., please inquire at the helpdesk below.

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. Internet Help Dial
0120-768-524 (toll free only from Japan)
(9:00 a.m. to 9:00 p.m., excluding the New Year holidays) (JST)

If you exercise your voting rights both in writing (by mail) and via the Internet, etc., the exercise of voting rights via the Internet, etc., will be treated as the valid exercise of voting rights. In addition, if you exercise your voting rights multiple times via the Internet, etc., the final votes submitted will be treated as the valid exercise of voting rights.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company used the opportunity provided by the 10-year anniversary of its founding in 2020 to position the return of profits to shareholders as an important management policy, in addition to its existing aim of enhancing corporate value over the medium- to long-term. Accordingly, the basic policy of the Company is to achieve medium- to long-term growth while also maintaining a sound financial position, and achieve both a continuous dividend and enhancement in corporate value.

With respect to the specific dividend policy, after comprehensively considering the business environment, the progress of investment recovery and various growth initiatives, and with greater emphasis on balancing profit growth through proactive growth investment and shareholder returns, the Company raised the consolidated dividend on equity (DOE), which serves as the basis for determining total dividends, from 3% to 4% per annum from the previous fiscal year. In line with this, the Company will continue its progressive dividend policy of increasing dividends in line with the medium- to long-term growth of profits. Under this dividend policy, the Company pays 50% of the annual total dividends per share as the year-end dividend for the applicable fiscal year.

Accordingly, the Company proposes to pay a year-end dividend for the fiscal year as follows. As a result, including the interim dividend of ¥55, the annual dividend will total ¥115 per share.

- (1) Type of dividend property
To be paid in cash.
- (2) Allotment of dividend property and their aggregate amount
¥60 per common share of the Company
Total dividends: ¥867,265,500
- (3) Effective date of dividends of surplus
June 26, 2026

Proposal No. 2 Election of five Directors

The terms of office of all four Directors will expire at the conclusion of this General Meeting of Shareholders. To further strengthen corporate governance with a view to the Company's medium- to long-term growth, we propose increasing the number of Outside Directors from the current two to three members and seek approval for the election of five Directors. Furthermore, when selecting candidates for Directors, a report was provided by the Nomination Committee, a voluntary committee in which independent Outside Directors make up a majority of members.

The candidates for Director are as follows:

Candidate No.	Name (date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Tetsuro Koda (May 25, 1985)	<p>June 2009 Joined Accenture Japan Ltd.</p> <p>June 2010 Founded the Company, appointed President and CEO</p> <p>March 2012 Resigned from Representative Director post and appointed Director</p> <p>July 2013 Appointed Representative Director of Owl Age inc. (current position)</p> <p>July 2014 Appointed Representative Director and President of Akatsuki Taiwan Inc.</p> <p>June 2020 Appointed President and CEO of the Company (current position)</p> <p>June 2021 Appointed Representative Director and President of HykeComic Inc. (current position)</p> <p>October 2021 Appointed Outside Director of whomor inc. (current position)</p> <p>March 2023 Appointed Outside Director of K2Pictures Inc. (current position)</p>	2,575,000 shares
2	Kazuhiro Ishikura (July 10, 1980)	<p>December 2005 Joined AZSA & Co. (currently KPMG AZSA LLC)</p> <p>June 2014 Appointed Auditor of the Company</p> <p>March 2015 Appointed Director of 3Minute inc. (currently GREE Lifestyle, inc.)</p> <p>October 2018 Appointed Outside Director of LIFE CREATE Co., Ltd. (currently LOIVE Co., Ltd.) (current position)</p> <p>November 2018 Appointed Executive Officer of the Company</p> <p>October 2020 Appointed Outside Audit & Supervisory Board Member of Now Do Inc. (current position)</p> <p>December 2021 Appointed Director of SDF Capital Co., Ltd. (current position)</p> <p>January 2022 Appointed President and CEO of Akatsuki Ventures Inc. (current position)</p> <p>June 2022 Appointed Director of the Company (current position)</p> <p>November 2024 Appointed Representative of EMOOTE PTE. LTD. (current position)</p> <p>June 2025 Appointed Executive Vice President of the Company (current position)</p> <p>November 2025 Appointed Director of Natee.inc (current position)</p>	2,721 shares

Candidate No.	Name (date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Hisashi Katsuya (April 11, 1962)	<p>April 1985 Joined IBM Japan, Ltd.</p> <p>April 2000 Appointed Partner and Japan Representative of IBM Venture Capital Group</p> <p>August 2010 Appointed Representative of TEAM♥KATSUYA (current position)</p> <p>October 2010 Appointed Outside Director of Questetra, Inc. (current position)</p> <p>March 2014 Appointed Outside Director of the Company (current position)</p> <p>March 2018 Appointed Outside Director of Makuake, Inc. (current position)</p> <p>April 2018 Appointed Outside Director of A Zero inc. (current position)</p> <p>December 2023 Appointed Outside Director of GEOFLA Inc.</p>	6,000 shares
4	Tetsuya Mizuguchi (May 22, 1965)	<p>April 1990 Joined Sega Enterprises, Ltd.</p> <p>October 2003 Appointed Director of Q Entertainment Inc.</p> <p>March 2012 Appointed Representative Director of Resonair Inc. (current position)</p> <p>October 2014 Established Enhance Games, Inc. in USA (now Enhance Experience Inc.) and appointed CEO (current position)</p> <p>June 2020 Appointed Outside Director of the Company (current position)</p> <p>August 2025 Appointed Director of Synesthesia Lab (current position)</p>	—
5	* Aya Umezu (October 4, 1974)	<p>April 1997 Joined the National Police Agency</p> <p>September 2002 Joined McKinsey & Company</p> <p>April 2008 Appointed CEO of GEM Partners Inc. (current position)</p>	—

- Notes
1. A new candidate for Director is indicated by an asterisk (*).
 2. There is no special interest between any of the candidates and the Company.
 3. Tetsuro Koda and Kazuhiro Ishikura are currently Directors of the Company, and their responsibilities within the Company are as provided in “2. Current Status of the Company (3) Status of Company Officers (i) Status of Directors and Audit & Supervisory Board Members” in the Business Report.
 4. The reason for nominating Tetsuro Koda as a candidate for Director is because he has demonstrated strong leadership as founder of the Company and has exerted himself for the development of the Company's businesses over many years, and the Company has therefore judged that he is an important person for achieving further growth and increases in the corporate value of the Group.
 5. The reason for nominating Kazuhiro Ishikura as a candidate for Director is because, as a certified public accountant and a certified public tax accountant, he possesses abundant knowledge and experience in corporate finance and investment, and the Company has therefore judged that he will contribute to further growth and increases in the corporate value of the Company by promoting investments in start-up companies as Director, Executive Vice President, CFO & CSO, while also managing the business administration of the Group.
 6. Hisashi Katsuya, Tetsuya Mizuguchi, and Aya Umezu are candidates for Outside Director.
 7. The reason for nominating Hisashi Katsuya as a candidate for Outside Director is because he possesses abundant knowledge and experience through his many years of experience supporting start-ups at operating companies, etc., and the Company therefore expects that he will continue to utilize his knowledge and experience to provide advice and recommendations for the Company's management decisions, as well as supervision over the execution of operations, etc. In addition, if he is elected, the Company intends for him to participate in decisions concerning the selection of officer candidates, officer remuneration, etc., from an objective and neutral standpoint.
 8. The reason for nominating Tetsuya Mizuguchi as a candidate for Outside Director is because he has abundant knowledge and experience in the game business, which is a key business domain for the Company, and peripheral businesses, and the Company therefore expects that he will continue to utilize his knowledge and experience to provide advice and recommendations for the Company's management decisions aimed at growing the global game business of the Company, as well as supervision over the execution of operations, etc. In addition, if he is elected, the Company intends for him to

participate in decisions concerning the selection of officer candidates, officer remuneration, etc., from an objective and neutral standpoint.

9. The reason for nominating Aya Umezu as a candidate for Outside Director is because she has abundant knowledge and experience in the entertainment industry, to which the Company belongs, and the Company therefore expects that she will utilize her knowledge and experience to provide advice and recommendations for the Company's management decisions aimed at growth of the Company, as well as supervision over the execution of operations, etc. In addition, if she is elected, the Company intends for her to participate in decisions concerning the selection of officer candidates, officer remuneration, etc., from an objective and neutral standpoint.
10. Hisashi Katsuya and Tetsuya Mizuguchi are currently Outside Directors of the Company, and their terms of office as Outside Directors as of the conclusion of this General Meeting of Shareholders will be twelve years and three months for Hisashi Katsuya and six years for Tetsuya Mizuguchi.
11. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Hisashi Katsuya and Tetsuya Mizuguchi to limit their liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount stipulated in laws and regulations. If their reelection is approved, the Company plans to renew the respective agreements with each one of them. In addition, if Aya Umezu's election is approved, the Company plans to enter into a similar liability limitation agreement with her.
12. The Company has entered into a directors and officers (D&O) liability insurance contract, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company, with all Directors as insured parties. Under this insurance contract, any damages, etc., borne by an insured party will be covered, and the Company bears all insurance premiums for the insured parties. If each candidate is appointed Director, each Director will be included in the insured parties under this insurance contract. Furthermore, the Company intends to renew the insurance contract with the same content at the time of its next renewal.
13. The Company has submitted notification to the Tokyo Stock Exchange that Hisashi Katsuya and Tetsuya Mizuguchi have been designated as independent officers as provided for by the aforementioned exchange. Furthermore, if the reelection of these candidates is approved, the Company plans for their designation as independent officers to continue. In addition, Aya Umezu satisfies the independence requirements set forth by the Tokyo Stock Exchange, and if her election is approved, the Company plans to designate her as an independent officer.
14. The number of shares owned by President and CEO Tetsuro Koda includes those held by his asset management company Owl Age inc.

[Reference]

If Proposal No. 2 is approved, the skill matrix of the Company's Directors and Executive Officers will be as follows:

Name	Position	Corporate management	ESG/ sustainability	Business development	Investment	Legal affairs/ compliance / IT	Finance/ accounting	Personnel/ labor/ human resources development
Tetsuro Koda	President and CEO	○	○	○				○
Kazuhiro Ishikura	Director	○	○	○	○	○	○	
Hisashi Katsuya	Outside Director	○	○		○			○
Tetsuya Mizuguchi	Outside Director	○	○					
Aya Umezu	Outside Director	○	○			○		
Yusuke Tanaka	Executive Officer					○		
Yasushi Hayami	Executive Officer			○				○
Fumiaki Tokuyama	Executive Officer					○		
Hiroto Ameno	Executive Officer		○			○		

* The above table does not represent all knowledge and experience held by each Director and Executive Officer.

Proposal No. 3 Election of One Auditor

In order to strengthen and enhance the Corporate Auditor structure, the Company seeks the election of one Corporate Auditor.

In addition, the consent of the Board of Auditors has been obtained for this proposal.

The candidate for Auditor is as follows:

Name (date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
* Yu Matsumoto (March 31, 1986) (Legal name: Yu Enomoto)	December 2008 Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) June 2019 Appointed the position of Representative of Matsumoto Certified Public Accountant Office (current position) June 2019 Joined the Company, in charge of Corporate Planning Division June 2020 Appointed Full-Time Auditor of the Company	—

- Notes
1. A new candidate for Auditor is indicated by an asterisk (*).
 2. There is no special interest between the candidate and the Company.
 3. If Yu Matsumoto's election is approved, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into an agreement with her to limit her liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount stipulated in laws and regulations.
 4. Yu Matsumoto is nominated as a candidate for an Auditor because of her expertise as a certified public accountant and her ability to conduct audits from a professional standpoint based on her knowledge and experience.

Proposal No. 4 Determination of the Amount and Details of Remuneration Relating to Stock Options for Directors

1. Reason for the proposal and the basis for the reasonableness of such remuneration
For the purpose of enhancing the motivation and morale of the Company's Directors (excluding Outside Directors) to improve the Company's business performance and corporate value and to place greater emphasis on the interests of shareholders in business operations, the Company requests approval of the amount of remuneration relating to stock acquisition rights to be granted as stock options to Directors (excluding Outside Directors) and the specific terms of such stock acquisition rights.
2. Details of the Proposal (Amount and Details of Remuneration Relating to Stock Acquisition Rights)
 - (1) Amount of remuneration relating to stock acquisition rights as stock options
Pursuant to Article 361, Paragraph 1 of the Companies Act, approval was obtained at the 4th Ordinary General Meeting of Shareholders of the Company held on June 30, 2014 for monetary remuneration for Directors in an amount of up to ¥500 million per year (excluding, however, the portion of employee salaries of directors who concurrently serve as employees), which remains in effect to this day.
For the purpose of enhancing the motivation and morale of the Company's Directors (excluding Outside Directors) to improve the Company's business performance and corporate value and to place greater emphasis on the interests of shareholders in business operations, the Company requests approval of the amount of remuneration relating to stock acquisition rights to be granted as stock options to Directors (excluding Outside Directors), which shall not exceed ¥100 million per year.
The amount of remuneration relating to stock acquisition rights to be issued as stock options to the Company's Directors shall be the total amount obtained by multiplying the fair value per stock acquisition right, calculated as of the allotment date of the stock acquisition rights, by the total number of stock acquisition rights to be allotted. In calculating the fair value of the stock acquisition rights, a valuation method generally used for calculating the fair value of stock acquisition rights will be employed.
The number of Directors is currently four (including two outside Directors). Subject to the approval and adoption of Proposal No. 2 as originally proposed, the number of Directors will be five (including three outside Directors).
 - (2) Details of Remuneration (Specific Terms of Stock Acquisition Rights to Be Issued as Stock Options)
 - (i) Number of Stock Acquisition Rights
The maximum number of stock acquisition rights to be issued within one year from the date of the Ordinary General Meeting of Shareholders for each fiscal year to Directors (excluding Outside Directors) shall be 800.
 - (ii) Class and Number of Shares to Be Issued upon Exercise of Stock Acquisition Rights
The maximum number of shares to be issued upon exercise of stock acquisition rights within one year from the date of the Ordinary General Meeting of Shareholders for each fiscal year to Directors (excluding Outside Directors) shall be 80,000 shares. The class of shares to be issued upon exercise of the stock acquisition rights shall be common stock, and the number of shares to be issued upon exercise of each stock acquisition right (hereinafter referred to as the "Number of Granted Shares") shall be 100 shares.
If, after the allotment date of the stock acquisition rights, the Company conducts a stock split (including an allotment of common stock without contribution; the same shall apply hereinafter) or a consolidation of shares, the Number of Granted Shares shall be adjusted in accordance with the following formula. However, such adjustment shall be made only with respect to the number of shares to be issued upon exercise of the Stock Acquisition Rights that have not been exercised as of that time, and any fraction of less than one share resulting from such adjustment shall be rounded down.
Number of Granted Shares after adjustment = Number of Granted Shares before adjustment × Ratio of the stock split (or consolidation)
If, after the allotment date of the Stock Acquisition Rights, the Company conducts a merger, company split, share exchange, or share delivery, or otherwise if an adjustment to the Number of Granted Shares becomes necessary in circumstances similar to those described above, the Company may appropriately adjust the Number of Granted Shares within a reasonable range.

(iii) Amount to Be Paid in Exchange for Stock Acquisition Rights

No payment of money shall be required in exchange for the Stock Acquisition Rights.

(iv) Value of Assets to Be Contributed upon Exercise of Stock Acquisition Rights

The value of assets to be contributed upon exercise of one Stock Acquisition Right shall be the amount to be paid in per share of common stock to be delivered upon exercise of the Stock Acquisition Right (hereinafter referred to as the “Exercise Price”) multiplied by the Number of Granted Shares.

The exercise price shall be the closing price of the Company’s common stock on the Tokyo Stock Exchange on the allotment date of the Stock Acquisition Rights (or, if there is no closing price on such date, the closing price on the immediately preceding trading day).

If, after the allotment date of the Stock Acquisition Rights, the Company conducts a stock split or a consolidation of shares, the Exercise Price shall be adjusted in accordance with the following formula, and any fraction of less than one yen resulting from such adjustment shall be rounded up.

$$\text{Exercise Price after Adjustment} = \text{Exercise Price before Adjustment} \times \frac{1}{\text{Ratio of Stock Split (or Consolidation)}}$$

If, after the allotment date of the Stock Acquisition Rights, the Company issues new shares of its common stock or disposes of treasury shares at a price below the market value of such shares (excluding cases where new shares are issued or treasury shares are disposed of upon exercise of Stock Acquisition Rights, or where new shares are issued or treasury shares are delivered in connection with a merger, company split, share exchange, or share delivery), the Exercise Price shall be adjusted in accordance with the following formula, and any fraction of less than one yen resulting from such adjustment shall be rounded up.

$$\text{Exercise Price after Adjustment} = \text{Exercise Price before Adjustment} \times \frac{\text{Number of Shares Already Issued} + \frac{\text{Number of Newly Issued Shares} \times \text{Amount to Be Paid in per Share}}{\text{Market Price per Share before the New Issue}}}{\text{Number of Shares Already Issued} + \text{Number of Newly Issued Shares}}$$

In the above formula, the “Number of Shares Already Issued” means the number obtained by deducting the number of treasury shares of the Company’s common stock from the total number of issued shares of the Company’s common stock. In the event that the Company disposes of treasury shares of its common stock, the “Number of Newly Issued Shares” shall be read as the “Number of Treasury Shares to Be Disposed Of.”

In addition to the above, if, after the allotment date of the Stock Acquisition Rights, the Company conducts a merger, company split, share exchange, or share delivery, or otherwise if an adjustment to the Exercise Price becomes necessary in circumstances similar to those described above, the Company may appropriately adjust the Exercise Price within a reasonable range.

(v) Period during Which Stock Acquisition Rights May Be Exercised

The exercise period shall be determined by the Board of Directors and shall fall within the period from the day on which two years have elapsed from the date of the resolution to grant the Stock Acquisition Rights to the day on which ten years have elapsed from the date of such resolution.

(vi) Restriction on Acquisition of Stock Acquisition Rights by Transfer

Acquisition of Stock Acquisition Rights by transfer shall require the approval of the Board of Directors.

(vii) Conditions for Exercise of Stock Acquisition Rights

(a) Holders of the Stock Acquisition Rights must be directors, corporate auditors, or employees of the Company or its affiliates at the time of exercising the Stock Acquisition Rights. However, this shall not apply where a person retires due to expiration of the term of office, mandatory retirement age, or other justifiable reason as recognized by the Board of Directors.

(b) Exercise of the Stock Acquisition Rights by heirs of the holders of the Stock Acquisition Rights shall not be permitted.

- (c) If the exercise of the Stock Acquisition Rights would cause the total number of issued shares of the Company to exceed the total number of shares authorized to be issued at that time, such Stock Acquisition Rights may not be exercised.
- (d) No Stock Acquisition Right may be exercised in fractions of less than one.
- (viii) Matters Concerning Acquisition of Stock Acquisition Rights
 - (a) If approval for a merger agreement under which the Company will become the disappearing company, a company split agreement or company split plan under which the Company will become the splitting company, or a share exchange agreement, share delivery plan, or share transfer plan under which the Company will become a wholly owned subsidiary is obtained at a General Meeting of Shareholders (or by resolution of the Board of Directors where such approval is not required), the Company may acquire all of the Stock Acquisition Rights without consideration on a date separately determined by the Board of Directors.
 - (b) If, before exercising the rights, a holder of the Stock Acquisition Rights becomes unable to exercise the Stock Acquisition Rights pursuant to the provisions set forth in (vii) above, the Company may acquire such Stock Acquisition Rights without consideration on a date separately determined by the Board of Directors.
- (ix) Other Matters Concerning the Offering of Stock Acquisition Rights
 - Other details of the Stock Acquisition Rights shall be determined by the Board of Directors that determines the matters concerning the offering of the Stock Acquisition Rights.

An overview of the Company's policy regarding the determination of the details of remuneration, etc. for individual Directors is as described in the Business Report on page 27 under "(3) Status of Corporate Officers, (iv) Amounts of Remuneration, etc. for Directors and Corporate Auditors, (a) Policy for Determining the Details of Remuneration, etc. for Officers" (in Japanese only). As the content of this proposal is consistent with the aforementioned policy, the Company believes it is appropriate.