

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities code: 7280

August 13, 2020

To shareholders with voting rights:

Katsuyoshi Kitada  
Representative Director, President  
MITSUBA Corporation  
1-2681 Hirosawa-cho, Kiryu-shi,  
Gunma  
Japan

## CONVOCATION NOTICE FOR AN EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

We would like to express our appreciation for your continued support and patronage.

We are pleased to notify you that an Extraordinary General Meeting of Shareholders of MITSUBA Corporation (the “Company”) will be held as described below.

**Given the current situation where precautions to prevent the infection of COVID-19 are required, shareholders are kindly requested to refrain from attending the Extraordinary General Meeting of Shareholders.**

When exercising your voting rights in writing or via the Internet, please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5 p.m. (JST) on Thursday, August 27, 2020.

**1. Date and Time:** Friday, August 28, 2020 at 10 a.m. (JST)

**2. Place:** 7F Hall, Mitsuba Building, MITSUBA Corporation  
1-2789-1 Hirosawa-cho, Kiryu City, Gunma Prefecture

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company’s 75th Fiscal Year (April 1, 2019 - March 31, 2020)
  2. Results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements for the Company’s 75th Fiscal Year (April 1, 2019 - March 31, 2020)

**Matters to be resolved:**

- Proposal No. 1:** Partial Amendment of the Articles of Incorporation
- Proposal No. 2:** Issuance of Shares for Subscription (Class A and Class C Shares) by Allocation to Third Party
- Proposal No. 3:** Reduction of Amounts of Capital Stock and Capital Reserve
- Proposal No. 4:** Election of One Director (Excluding Directors Serving as Audit and Supervisory Committee Members)

## Guidance on Exercise of Voting Rights

### If you are attending the meeting

When attending the meeting, the shareholder him/herself (the same shall apply for a proxy, who shall also be a shareholder of the Company holding voting rights) must submit the enclosed Voting Rights Exercise Form at the reception desk.

In the case of attendance by a proxy, please present a document evidencing authority of the proxy along with the Voting Rights Exercise Form (pursuant to the provisions of the Articles of Incorporation of the Company, a proxy must be a shareholder of the Company holding voting rights).

Please be advised that the admission procedure may take time if you forget to bring the Voting Rights Exercise Form with you.

Date of the General Meeting of Shareholders: **Friday, August 28, 2020 at 10 a.m. (JST)**

### If you are not attending the meeting

#### ➤ By mail

Please indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form and return it by the following deadline.

Deadline for exercise: **5 p.m. on Thursday, August 27, 2020**

#### ➤ Via the Internet

Please access the voting rights exercise website designated by the Company (<https://evote.tr.mufg.jp/>) and exercise your voting rights by the following deadline.

Deadline for exercise: **5 p.m. on Thursday, August 27, 2020**

Please see the next page for the method of exercising voting rights via the Internet.

### For institutional investors

In addition to the above method for exercising voting rights via the Internet, institutional investors may exercise their voting rights by using the electronic voting platform operated by ICJ, Inc. Please note that this service is only available for those who requested it in advance.

- 
- The reception is scheduled to start at 9:00 a.m.
  - When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. For resource-saving purposes, please bring this Convocation Notice with you.
  - Please note that no souvenirs will be distributed to attending shareholders in consideration of ensuring fairness between shareholders who are present at and those who are absent from the Extraordinary General Meeting of Shareholders. We appreciate your understanding.
  - Of the documents to be provided with this Convocation Notice, information related to items to be presented in Notes to Consolidated Financial Statements and Consolidated Statements of Changes in Net Assets in the Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements and Non-Consolidated Statements of Changes in Net Assets in the Non-Consolidated Financial Statements is posted on the Company's website (<https://www.mitsuba.co.jp/>) according to the provisions of laws, regulations and Article 13 of the Company's Articles of Incorporation, and therefore is not provided in this Convocation Notice.
  - Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements or Consolidated Financial Statements will be posted on the Company's website (<https://www.mitsuba.co.jp/>).

## Method of Exercise of Voting Rights Via the Internet

1. Access the voting rights exercise website (<https://evote.tr.mufg.jp/>)
  - (1) Click “Next.”
2. Login
  - (2) Enter your Login ID and Temporary Password, which are printed in the bottom right corner of the Voting Rights Exercise Form. (The Company notifies shareholders of a new Login ID and a new Temporary Password each time it convenes a General Meeting of Shareholders.)
  - (3) Click “Login.”
3. Register the password
  - (4) Fill in the entry fields for “Current Password,” “New Password,” and “New Password (for confirmation).”  
(Please do not forget the password.)
  - (5) Click “Send.”

If you have a smartphone with a QR code reader, you can scan the QR code on the right to access the website.

### ● Voting rights exercise website

- (1) Exercise of voting rights via the Internet is possible only by accessing the voting rights exercise website designated by the Company (<https://evote.tr.mufg.jp/>) from a personal computer or a smartphone. (However, service is suspended from 2:00 a.m. to 5:00 a.m. every day.)
- (2) Depending on the environment of Internet usage through personal computers or smartphones, and Internet providers’ services or types of communication devices used, there are cases where the voting rights exercise website is not available. For more information, please contact the Help Desk below.

### ● Costs incurred for accessing the voting rights exercise website

Internet connection fees, telecommunication charges, and other fees incurred by accessing the voting rights exercise through a personal computer or a smartphone shall be borne by the shareholder.

### ● Treatment of voting rights exercised multiple times

- (1) If you have exercised your voting rights both by mail and via the Internet, the exercise of voting rights via the Internet shall be deemed effective.
- (2) If you have exercised your voting rights multiple times via the Internet, the content of the final exercise shall be deemed effective.

System-related inquiries:

Securities Agency Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation

Toll-free service phone number in Japan: 0120-173-027      Operating hours: 9:00 a.m. – 9:00 p.m.

# Reference Documents for the General Meeting of Shareholders

## Proposals and Reference Items

Proposal No. 1: Partial Amendment of the Articles of Incorporation

### 1. Reasons for Amendments

- (1) In order to enable the Company to issue Class A Shares, Class B Shares, and Class C Shares, these will be added as new classes of shares, and provisions related to Class A Shares, Class B Shares, and Class C Shares will be newly established. Please refer to Proposal No. 2 for the reasons the issuance of these new class shares is required.
- (2) The structure of the Company’s meeting bodies is revised companywide, and provisions related to the Operating Officers Meeting will be removed from the existing Articles of Incorporation. (Hereinafter, the amendments to the Articles of Incorporation referred to in the above items (1) and (2) are collectively referred to as the “Amendments to the Articles of Incorporation.”)

Furthermore, the Amendments to the Articles of Incorporation will be subject to the approval of Proposals No. 2 through No. 4, as originally proposed.

### 2. Content of Amendments

The content of the amendments is as follows:

(Amended parts are underlined.)

Existing Articles of Incorporation	Proposed Amendment
CHAPTER I. GENERAL PROVISIONS	CHAPTER I. GENERAL PROVISIONS
Article 1. — (Omitted)	Article 1. — (Unchanged)
Article 4.	Article 4.
CHAPTER II. SHARES (Total Number of Authorized Shares)	CHAPTER II. SHARES (Total Number of Authorized Shares <u>and Total Number of Authorized Class Shares</u> )
Article 5. The total number of authorized shares of the Company shall be 150 million (150,000,000) shares.	Article 5. The total number of authorized shares of the Company shall be 150 million (150,000,000) shares. <u>The total number of authorized class shares for each class of shares of the Company shall be as follows:</u> <u>Common shares 150,000,000 shares</u> <u>Class A Shares 15,000 shares</u> <u>Class B Shares 6,000 shares</u> <u>Class C Shares 5,000 shares</u>
(Number of Shares Constituting One Unit of Stock)	(Number of Shares Constituting One Unit of Stock)
Article 6. The number of shares constituting one unit of stock of the Company shall be one hundred (100) shares.	Article 6. The number of shares constituting one unit of stock <u>of common shares</u> of the Company shall be one hundred (100) shares, <u>and the number of shares constituting one unit of stock of Class A Shares, Class B Shares, and Class C Shares shall be one (1) share, respectively.</u>
Article 7. — (Omitted)	Article 7. — (Unchanged)
Article 11.  (Newly established) (Newly established)	Article 11.  <u>CHAPTER II-II. CLASS A SHARES</u> (Class A Preferred Dividends) <u>Article 11-2. When distributing surplus with a record date during a given fiscal year, the Company shall distribute surplus per Class A Share in the amount determined in Paragraph 2 (the money to be paid per Class A Share in this distribution is hereinafter referred to as “Class A Preferred Dividends”), in accordance with the order of payment set forth in Article 11-10, Paragraph 1, to shareholders holding Class A Shares (“Class A Shareholders”) listed or recorded in the final shareholder register on the record date of the distribution of surplus in question (the “dividend record date”) or registered pledgees of Class A Shares (hereinafter, collectively referred to with Class A Shareholders as “Class A Shareholders, etc.”). Furthermore, if any fractions of less than one (1)</u>

Existing Articles of Incorporation	Proposed Amendment
	<p>yen arise when Class A Preferred Dividends are multiplied by the number of Class A Shares for which each Class A Shareholder, etc. holds rights, these fractions shall be rounded down.</p> <p>2. <u>The amount of Class A Preferred Dividends shall be one million (1,000,000) yen (hereinafter, referred to as the “payment amount” in this chapter) multiplied by 6.0%, calculated on a prorated, daily basis for the actual number of days from (and including) the first day of the fiscal year to which the dividend record date belongs (provided, however, that this shall be the issue date of the Class A Shares if the dividend record date belongs to the fiscal year ending March 31, 2021) until (and including) the dividend record date, based on a year of 365 days (or 366 days if the fiscal year in question includes a leap day) (the division shall be the final stage of the calculation, and it shall be calculated to two (2) decimal places, with the result rounded off to one (1) decimal place); provided, however, that when surplus has been distributed to Class A Shareholders, etc. with a record date prior to a given dividend record date in the fiscal year to which the given dividend record date belongs, the total amount of Class A Preferred Dividends in each of these dividends shall be deducted from the amount of Class A Preferred Dividends for the given dividend record date.</u></p> <p>3. <u>The Company shall not distribute surplus to Class A Shareholders, etc. in excess of the total amount of Class A Preferred Dividends and cumulative unpaid Class A dividends (as defined in Paragraph 4); provided, however, that this may not apply for surplus distributed while the Company is undergoing procedures for an absorption-type company split, as provided for in Article 758, item (viii), (b) of the Companies Act or Article 760, item (vii), (b) of the same Act, or while the Company is undergoing procedures for an incorporation-type company split, as provided for in Article 763, Paragraph 1, item (xii), (b) of the same Act or Article 765, Paragraph 1, item (viii), (b) of the same Act.</u></p> <p>4. <u>If the total amount of surplus per share distributed to Class A Shareholders, etc. for a record date belonging to a given fiscal year (excluding any cumulative unpaid Class A dividends (as defined below) accumulated in accordance with this paragraph for Class A Preferred Dividends for each fiscal year prior to the fiscal year in question) is less than the amount of Class A Preferred Dividends for the fiscal year in question (referring to Class A Preferred Dividends calculated in accordance with Paragraph 2, assuming surplus is distributed with the final day of the fiscal year as the record date; provided, however, that the stipulations of the proviso in Paragraph 2 shall not be applied in this calculation), the difference shall accumulate from the fiscal year after the fiscal year in question (hereinafter, referred to as the “unqualified fiscal year” in this paragraph). In this case, interest shall be added to the cumulative amount, and this interest shall be calculated annually as compound interest at an annual rate of 6.0%, from and including the day after the Annual General Meeting of Shareholders for the unqualified fiscal year (hereinafter, referred to as the “Annual Shareholders Meeting for unqualified year” in this paragraph) until and including the day the cumulative amount is distributed to Class A Shareholders, etc. for each fiscal year on and after the fiscal year following the unqualified fiscal year (for the first year, however, interest shall be calculated from and including the day after the Annual Shareholders Meeting for unqualified year until and including the final day of the fiscal year after the unqualified fiscal year); provided, however, that this calculation shall be performed on a prorated, daily basis, based on a year of 365 days (or 366 days if the fiscal year in question includes a leap day), and the division shall be the final stage of the calculation, with the amount calculated to two (2) decimal places, and the result rounded off to one (1) decimal place. The amount accumulated in accordance with the provisions of this paragraph (the “cumulative unpaid Class A dividends”) shall be distributed to Class A Shareholders, etc. in accordance with the order of payment set forth in Article 11-10, Paragraph 1. Furthermore, if any fractions of less than one (1) yen arise when the cumulative unpaid Class A dividends to be distributed are multiplied by the number of Class A Shares for which each Class A Shareholder, etc. holds rights, these fractions shall be rounded down.</u></p>

Existing Articles of Incorporation	Proposed Amendment
(Newly established)	<p><u>(Distribution of Residual Assets)</u></p> <p><u>Article 11-3. When distributing residual assets, the Company shall pay monies equivalent to the total amount per Class A Share of the payment amount, any cumulative unpaid Class A dividends, and any unpaid preferred dividends prorated on a daily basis, as defined in Paragraph 3 (hereinafter, the total amount shall be referred to as the “amount of Class A residual assets to be distributed”), to Class A Shareholders, etc., in accordance with the order of payment set forth in Article 11-10, Paragraph 2; provided, however, that under the provisions of this paragraph, if the day the residual assets will be distributed (hereinafter, the “distribution date” in this chapter) falls in the period from and including the day after the dividend record date until the time surplus is distributed with the relevant dividend record date, cumulative unpaid Class A dividends shall be calculated as though the dividends of surplus with the relevant dividend record date will not be paid. Furthermore, if any fractions of less than one (1) yen arise when the amount of Class A residual assets to be distributed is multiplied by the number of Class A Shares for which each Class A Shareholder, etc. holds rights, these fractions shall be rounded down.</u></p> <p><u>2. The Company shall not distribute any residual assets to Class A Shareholders, etc. other than those provided for in the foregoing paragraph.</u></p> <p><u>3. Any unpaid preferred dividends prorated on a daily basis per Class A Share shall be the amount of Class A Preferred Dividends calculated in accordance with the provisions of Article 11-2, Paragraph 2, assuming that the Class A Preferred Dividends are paid with the distribution date as the record date, in the fiscal year to which the distribution date belongs (hereinafter, the unpaid preferred dividends prorated on a daily basis per Class A Share are referred to as the “per diem unpaid preferred dividends” in this chapter).</u></p>
(Newly established)	<p><u>(Voting Rights)</u></p> <p><u>Article 11-4. Except as otherwise provided by laws and regulations, Class A Shareholders do not have voting rights at the General Meeting of Shareholders.</u></p>
(Newly established)	<p><u>(Put Option with Common Shares as Consideration)</u></p> <p><u>Article 11-5. At any time on or after the issue date of the Class A Shares, Class A Shareholders may demand that the Company acquire all or part of any Class A Shares held, and deliver the number of common shares set forth in Paragraph 2 in exchange (hereinafter, the “underlying common shares” in this chapter) (hereinafter, this right is referred to as the “put option with common shares” in this chapter), and the Company shall thus deliver the underlying common shares to the relevant Class A Shareholders, within the scope permitted by laws and regulations, in exchange for the acquisition of the Class A Shares for which the put option with common shares is exercised.</u></p> <p><u>2. The number of common shares to be delivered in exchange for the acquisition of the Class A Shares shall be the total of i) payment amount, ii) cumulative unpaid Class A dividends, and iii) per diem unpaid preferred dividends per Class A Share multiplied by the number of Class A Shares for which the put option with common shares is exercised, divided by the acquisition price, as defined in Paragraphs 3 and 4. Furthermore, when calculating any per diem unpaid preferred dividends, the “distribution date” in the calculation shall be replaced by the “effective date of the put option with common shares” in this article. In addition, if any fractions of less than one (1) share arise in the total number of common shares to be delivered in exchange for the acquisition of the Class A Shares for which the put option with common shares is exercised, these fractions shall be rounded down, and in this case, the Company shall not deliver any monies provided for in Article 167, Paragraph 3 of the Companies Act.</u></p> <p><u>3. The initial acquisition price shall be either (a) or (b) below, whichever is the larger amount.</u></p> <p><u>(a) 390.3 yen</u></p> <p><u>(b) The average volume-weighted average price (the “VWAP”) in ordinary trading of the Company’s common shares, as announced by Tokyo Stock Exchange, Inc. (“TSE”) over the 20 consecutive trading days immediately prior to July 15, 2020 and the 20 consecutive trading days from the day after July 15, 2020 (not</u></p>

Existing Articles of Incorporation	Proposed Amendment
	<p>including July 15, 2020), multiplied by 0.9 (calculated to two (2) decimal places, with the result rounded off to one (1) decimal place).</p> <p>Furthermore, a “trading day” refers to a day when trading of the Company’s common shares takes place in ordinary trading on the TSE, and shall not include days when no VWAP is announced.</p> <p>4. Acquisition Price Adjustment</p> <p>(a) If any of the circumstances described below occur, the respective adjustment shall be made to the acquisition price as follows:</p> <p>(1) If a share split or gratis allotment of common shares is conducted, the acquisition price will be adjusted using the formula below. Furthermore, in the case of a gratis allotment of shares, parts of the formula below shall be replaced as follows: the “number of outstanding common shares prior to the split” shall be replaced by the “number of outstanding common shares prior to the gratis allotment (provided, however, that this shall exclude common shares held by the Company at that time),” and the “number of outstanding common shares after the split” shall be replaced by the “number of outstanding common shares after the gratis allotment (provided, however, that this shall exclude common shares held by the Company at that time).”</p> <p>[Formula]</p> <p><u>Adjusted acquisition price = A × B ÷ C</u>  <u>A = Unadjusted acquisition price</u>  <u>B = Number of outstanding common shares prior to the split</u>  <u>C = Number of outstanding common shares after the split</u>  <u>The adjusted acquisition price shall be applied from the day after the record date of the share split or the effective date of the gratis allotment of shares (or the day after the record date if a record date for the gratis allotment of shares is determined).</u></p> <p>(2) If a reverse split of common shares is conducted, the acquisition price will be adjusted using the formula below.</p> <p>[Formula]</p> <p><u>Adjusted acquisition price = A × B ÷ C</u>  <u>A = Unadjusted acquisition price</u>  <u>B = Number of outstanding common shares prior to the reverse split</u>  <u>C = Number of outstanding common shares after the reverse split</u>  <u>The adjusted acquisition price shall be applied from the effective date of the reverse split of shares.</u></p> <p>(3) If the Company issues common shares or disposes of common shares held by the Company for a payment amount that is below the fair value per common share as set forth in (d) below, the acquisition price will be adjusted using the formula below (hereinafter, referred to as the “acquisition price adjustment formula” in this paragraph) (excluding gratis allotments of shares; the acquisition of shares or stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter, the same applies in this paragraph) in exchange for the delivery of common shares; issuance or disposal owing to the exercise of stock acquisition rights with underlying common shares; and the delivery of common shares owing to a merger, share exchange, or company split). If nonmonetary assets are contributed, the “Payment amount per share” in the acquisition price adjustment formula shall be the appropriately appraised value of the respective assets. The adjusted acquisition price shall be applied from the day after the payment due date (or the final day of the payment period, if a period for payment is determined) or the day after the record date, if a record date for the allotment to shareholders is determined (hereinafter, referred to as the “shareholder allotment date” in this paragraph). Furthermore, if the Company disposes of common shares held by the Company, parts of the formula below shall be replaced as follows: the “number of new common shares” shall be replaced by the “number of common shares held by the Company for disposal,” and the “number of common shares held by the</p>

Existing Articles of Incorporation	Proposed Amendment
	<p>Company” shall be replaced by the “<u>number of common shares held by the Company prior to disposal.</u>”</p> <p><u>Adjusted acquisition price = <math>A \times (B - C + D \times E \div F) \div (B - C + D)</math></u></p> <p><u>A = Unadjusted acquisition price</u>  <u>B = Number of outstanding common shares</u>  <u>C = Number of common shares held by the Company</u>  <u>D = Number of new common shares</u>  <u>E = Payment amount per share</u>  <u>F = Fair value per common share</u></p> <p><u>(4) If the Company issues or disposes of shares that entitle the holder to receive delivery of common shares at an acquisition price per common share below the fair value per common share as set forth in (d) below, through causing the shares to be acquired by the Company or otherwise having the shares acquired by the Company (including gratis allotments of shares), then on the payment due date for these shares (or the final day of the payment period, if a period for payment is determined; hereinafter, the same applies in this item (4)), or the effective date in the case of a gratis allotment of shares (if a record date for the gratis allotment of shares is determined, the record date; hereinafter, the same applies in this item (4)), or the shareholder allotment date, if there is such a date, all shares to be issued or disposed of shall be deemed to have been acquired at the initial terms and common shares thus delivered, and the amount calculated using this amount as the “Payment amount per share” in the acquisition price adjustment formula shall be the adjusted acquisition price. The adjusted acquisition price shall be applied from the day after the payment due date, or in the case of a gratis allotment of shares, the day after the effective date of the gratis allotment of shares, or if there is a shareholder allotment date, the day after that date. Regardless of the above, if the consideration for the common shares to be delivered upon acquisition has not been determined at the above time, then the adjusted acquisition price shall be calculated by assuming that all shares to be issued or disposed of at the time the consideration is determined is acquired according to the terms at the point consideration is determined and the common shares are thus delivered, and the adjusted acquisition price shall be applied from the day after the consideration is determined.</u></p> <p><u>(5) If the Company issues stock acquisition rights that entitle the holder to receive delivery of common shares at a price at which the total of the payment amount for the stock acquisition rights per common share and the assets to be contributed when exercising the stock acquisition rights (if nonmonetary assets are contributed, the appropriately appraised value of the respective assets; hereinafter, the same applies in this item (5)) is below the fair value per common share as set forth in (d) below, through the exercise of the stock acquisition rights or their acquisition by the Company (including a gratis allotment of stock acquisition rights), then on the allotment date of these stock acquisition rights, or the effective date in the case of a gratis allotment of stock acquisition rights (or the record date, if a record date for the gratis allotment of stock acquisition rights is determined; hereinafter, the same applies in this item (5)), or if there is a shareholder allotment date, this date, all stock acquisition rights to be issued shall be deemed to have been exercised or acquired at the initial terms and common shares thus delivered, and the amount calculated using the total of the payment amount for the stock acquisition rights per common share and the value of assets to be contributed per common share when exercising the stock acquisition rights as the “Payment amount per share” in the acquisition price adjustment formula shall be the adjusted acquisition price. The adjusted acquisition price shall be applied from the day after the allotment date of the stock acquisition rights, or in the case of a gratis allotment of stock acquisition rights, the day after the effective date of the gratis allotment of stock acquisition rights, or if there is a shareholder allotment date, the day after that date. Regardless of the above, if the</u></p>

Existing Articles of Incorporation	Proposed Amendment
	<p><u>consideration for the common shares to be delivered upon acquisition or exercise has not been determined at the above time, then the adjusted acquisition price shall be calculated by assuming that all stock acquisition rights to be issued at the time the consideration is determined are exercised or acquired according to the terms at the point consideration is determined and the common shares are thus delivered, and the adjusted acquisition price shall be applied from the day after the consideration is determined; provided, however, that adjustments to the acquisition price as provided for in this item (5) shall not be applied to stock acquisition rights with underlying common shares issued as stock options to Directors, Corporate Auditors, Executive Officers, other officers, or employees of the Company or its subsidiaries.</u></p> <p>(b) <u>In addition to the circumstances described in (a) above, the Company shall make appropriate adjustments to the acquisition price in cases falling under any of the following items (1) through (3), after providing advance notice in writing to Class A Shareholders, etc. to that effect, together with the reasons thereof, the adjusted acquisition price, the date of application, and any other necessary information.</u></p> <p>(1) <u>When it is necessary to adjust the acquisition price owing to a merger, share exchange, acquisition of all outstanding shares of another stock company through a share exchange; a share transfer, absorption-type company split, full or partial succession of rights and obligations held by another company regarding its business through an absorption-type company split; or incorporation-type company split;</u></p> <p>(2) <u>When two or more circumstances occur one after another in which the acquisition price should be adjusted, and when calculating the fair value that should be used in the calculation of the adjusted acquisition price based on one circumstance, it is necessary to consider the effect of the other circumstance;</u></p> <p>(3) <u>When it is otherwise necessary to adjust the acquisition price owing to the occurrence of circumstances under which there is a change or possibility of change in the number of outstanding common shares (however, this excludes the number of common shares held by the Company).</u></p> <p>(c) <u>If calculation is required when adjusting the acquisition price, the calculation shall be performed to two (2) decimal places, and the result shall be rounded off to one (1) decimal place.</u></p> <p>(d) <u>The fair value per common share used in the acquisition price adjustment formula shall be the average VWAP in the 30 consecutive trading days immediately preceding the date the adjusted acquisition price is applied (however, if a public announcement is made on the Company Announcements Disclosure Service provided by TSE concerning circumstances in which the acquisition price should be adjusted, this shall be the date of said announcement) (the calculation shall be performed to two (2) decimal places, and the result shall be rounded off to one (1) decimal place). Furthermore, a “trading day” refers to a day when trading of the Company’s common shares takes place in ordinary trading on the TSE, and shall not include days when no VWAP is announced.</u></p> <p>(e) <u>If the adjustment to the acquisition price is calculated and the difference between the adjusted acquisition price and the unadjusted acquisition price is less than 0.1 yen as a result, the acquisition price will not be adjusted; provided, however, that any adjustments deemed unnecessary under the provisions of this item (e) shall be carried forward, and taken into consideration when calculating subsequent adjustments.</u></p> <p><u>5. Location for Placing Put Option with Common Shares</u>  <u>Shareholder Register Administrator Bureau, 1-4-5 Marunouchi, Chiyoda-ku, Tokyo</u>  <u>Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation</u></p> <p><u>6. Effectiveness of Put Option with Common Shares</u>  <u>The put option with common shares shall take effect when documents required for the put option with common shares arrive at the location for placing put option with common shares, as set forth in the preceding paragraph, or the intended effective date written in these documents,</u></p>

Existing Articles of Incorporation	Proposed Amendment
(Newly established)	<p style="text-align: center;"><u>whichever is later.</u></p> <p><u>(Put Option with Monies and Class B Shares as Consideration)</u>  <u>Article 11-6. At any time on or after the issue date of the Class A Shares, Class A Shareholders may demand that the Company acquire all or part of any Class A Shares held (if acquiring part of Class A Shares, however, it must be an integer multiple of one thousand (1,000) shares), and deliver in exchange (i) monies as set forth in Paragraph 2 (the “underlying monies”) and (ii) a number of Class B Shares as set forth in Paragraph 3 (the “underlying Class B Shares”), within the scope permitted by laws and regulations (the “put option with monies and Class B Shares”), and the Company shall thus deliver the underlying monies and underlying Class B Shares to the relevant Class A Shareholders, within the scope permitted by laws and regulations, in exchange for the acquisition of the Class A Shares for which the put option with monies and Class B Shares is exercised.</u></p> <p><u>2. The monies to be delivered in exchange for the acquisition of the Class A Shares shall be the total of i) payment amount, ii) cumulative unpaid Class A dividends, and iii) per diem unpaid preferred dividends per Class A Share multiplied by the number of Class A Shares for which the put option with monies and Class B Shares is exercised. Furthermore, when calculating any per diem unpaid preferred dividends, the “distribution date” in the calculation shall be replaced by the “effective date of the put option with monies and Class B Shares” in this article. In addition, if any fractions of less than one (1) yen arise in the monies to be delivered in exchange for the acquisition of the Class A Shares for which the put option with monies and Class B Shares is exercised, these fractions shall be rounded down.</u></p> <p><u>3. The number of Class B Shares to be delivered in exchange for the acquisition of the Class A Shares shall be the total payment amount per Class A Share multiplied by the redemption coefficient (as defined in the following article) less the payment amount per Class A Share, multiplied by the number of Class A Shares for which the put option with monies and Class B Shares is exercised, divided by one million (1,000,000) yen. Furthermore, the “monetary consideration redemption date” in the redemption coefficient shall be replaced by the “effective date of the put option with monies and Class B Shares” in this article. In addition, if any fractions of less than one (1) share arise in the total number of Class B Shares to be delivered in exchange for the acquisition of the Class A Shares for which the put option with monies and Class B Shares is exercised, these fractions shall be rounded down, and in this case, the Company shall not deliver any monies provided for in Article 167, Paragraph 3 of the Companies Act.</u></p> <p><u>4. The put option with monies and Class B Shares shall take effect when documents required for the put option with monies and Class B Shares arrive at the Company, or the intended effective date written in these documents, whichever is later.</u></p>
(Newly established)	<p><u>(Call Options with Monies as Consideration)</u>  <u>Article 11-7. At any time on or after the issue date of the Class A Shares, the Company may acquire all or part of the Class A Shares (if acquiring part of the Class A Shares, however, it must be an integer multiple of five thousand (5,000) shares) with monies as consideration, upon the arrival of a day separately determined by the Board of Directors of the Company (hereinafter, referred to as the “monetary consideration redemption date” in this article) within the scope permitted by laws and regulations, provided notice is given in writing to Class A Shareholders, etc. by no later than 20 trading days (referring to days when trading of the Company’s common shares takes place in ordinary trading on the TSE) prior to the monetary consideration redemption date (withdrawal of notice will not be permitted) (hereinafter, referred to as “redemption for monetary consideration” in this article), and the Company shall thus acquire the Class A Shares to which the redemption for monetary consideration will apply, and deliver in exchange to Class A Shareholders (i) the amount obtained by multiplying the payment amount per Class A Share by the redemption coefficient as defined below, and (ii) the total of any cumulative unpaid Class A dividends and per diem unpaid preferred dividends, both multiplied by the number of Class A Shares to which the redemption for monetary consideration</u></p>

Existing Articles of Incorporation	Proposed Amendment
	<p><u>apply. Furthermore, when calculating any per diem unpaid preferred dividends, the “distribution date” in the calculation of the per diem unpaid preferred dividends shall be replaced by the “monetary consideration redemption date” in this article. In addition, if any fractions of less than one (1) yen arise in the monies to be delivered in exchange for the acquisition of the Class A Shares for which the redemption for monetary consideration is conducted, these fractions shall be rounded down.</u></p> <p><u>If acquiring part of the Class A Shares, the Company shall determine the Class A Shares to be acquired from Class A Shareholders on the basis of proportional distribution or other reasonable methods determined by the Board of Directors of the Company.</u></p> <p><u>In this chapter, the “redemption coefficient” refers to the following numbers set forth in (1) through (6) below, in accordance with the period given in (1) through (6) below to which the monetary consideration redemption date belongs:</u></p> <p>(1) From the day after the issue date of the Class A Shares until June 30, 2021: 1.07  (2) From July 1, 2021 until June 30, 2022: 1.12  (3) From July 1, 2022 until June 30, 2023: 1.18  (4) From July 1, 2023 until June 30, 2024: 1.24  (5) From July 1, 2024 until June 30, 2025: 1.31  (6) From July 1, 2025 onward: 1.40</p>
(Newly established)	<p><u>(Elimination of Right to Request Addition of Shareholders to a General Meeting of Shareholders for the Company’s Repurchase of Shares)</u></p> <p><u>Article 11-8. If, by resolution at a General Meeting of Shareholders of the Company, the Company decides to acquire all or part of the Class A Shares held by Class A Shareholders based on an agreement with the Class A Shareholders in question, the provisions of Article 160, Paragraphs 2 and 3 of the Companies Act shall not apply.</u></p>
(Newly established)	<p><u>(Reverse Split or Split of Shares, Allotment of Shares for Subscription, etc.)</u></p> <p><u>Article 11-9. The Company shall not conduct any split or reverse split of shares in regard to the Class A Shares.</u></p> <p><u>2. The Company shall not grant to Class A Shareholders the right to receive allotment of shares for subscription or the right to receive allotment of stock acquisition rights for subscription.</u></p> <p><u>3. The Company shall not conduct gratis allotment of shares or stock acquisition rights to Class A Shareholders.</u></p>
(Newly established)	<p><u>(Order of Preference)</u></p> <p><u>Article 11-10. The order of payment of Class A Preferred Dividends, cumulative unpaid Class A dividends, Class B Preferred Dividends, cumulative unpaid Class B dividends, and dividends of surplus to shareholders holding common shares and registered pledgees of common shares (hereinafter, collectively referred to as “common shareholders, etc.”) shall be as follows: first, cumulative unpaid Class A dividends and cumulative unpaid Class B dividends; second, Class A Preferred Dividends and Class B Preferred Dividends; and third, dividends of surplus to common shareholders, etc.</u></p> <p><u>2. The order of payment when distributing residual assets pertaining to Class A Shares, Class B Shares, Class C Shares, and common shares shall be as follows: first, the distribution of residual assets pertaining to Class A Shares, Class B Shares, and Class C Shares; and second, the distribution of residual assets pertaining to common shares.</u></p> <p><u>3. If the surplus or residual assets for the Company to make distributions are less than the total amount required to distribute surplus or residual assets in a certain order, then the Company shall distribute surplus or residual assets from the surplus or residual assets available in proportion to the amounts required to distribute surplus or residual assets in this order.</u></p>
(Newly established) (Newly established)	<p style="text-align: center;"><u>CHAPTER II-III. CLASS B SHARES</u></p> <p><u>(Class B Preferred Dividends)</u></p> <p><u>Article 11-11. When distributing surplus with a record date during a given fiscal year, the Company shall distribute surplus per Class B Share in the</u></p>

Existing Articles of Incorporation	Proposed Amendment
	<p>amount determined in Paragraph 2 (the money to be paid per Class B Share in this distribution is hereinafter referred to as “Class B Preferred Dividends”), in accordance with the order of payment set forth in Article 11-18, Paragraph 1, to shareholders holding Class B Shares (“Class B Shareholders”) listed or recorded in the final shareholder register on the dividend record date or registered pledgees of Class B Shares (hereinafter, collectively referred to with Class B Shareholders as “Class B Shareholders, etc.”). Furthermore, if any fractions of less than one (1) yen arise when Class B Preferred Dividends are multiplied by the number of Class B Shares for which each Class B Shareholder, etc. holds rights, these fractions shall be rounded down.</p> <p>2. The amount of Class B Preferred Dividends shall be one million (1,000,000) yen (hereinafter, referred to as the “payment amount” in this chapter) multiplied by 8.0%, calculated on a prorated, daily basis for the actual number of days from (and including) the first day of the fiscal year to which the dividend record date belongs (provided, however, that this shall be the issue date of the Class B Shares if the dividend record date belongs to the fiscal year ending March 31, 2021) until (and including) the dividend record date, based on a year of 365 days (or 366 days if the fiscal year in question includes a leap day) (the division shall be the final stage of the calculation, and it shall be calculated to two (2) decimal places, with the result rounded off to one (1) decimal place); provided, however, that when surplus has been distributed to Class B Shareholders, etc. with a record date prior to a given dividend record date in the fiscal year to which the given dividend record date belongs, the total amount of Class B Preferred Dividends in each of these dividends shall be deducted from the amount of Class B Preferred Dividends for the given dividend record date.</p> <p>3. The Company shall not distribute surplus to Class B Shareholders, etc. in excess of the total amount of Class B Preferred Dividends and cumulative unpaid Class B dividends (as defined in Paragraph 4); provided, however, that this may not apply for surplus distributed while the Company is undergoing procedures for an absorption-type company split, as provided for in Article 758, item (viii), (b) of the Companies Act or Article 760, item (vii), (b) of the same Act, or while the Company is undergoing procedures for an incorporation-type company split, as provided for in Article 763, Paragraph 1, item (xii), (b) of the same Act or Article 765, Paragraph 1, item (viii), (b) of the same Act.</p> <p>4. If the total amount of surplus per share distributed to Class B Shareholders, etc. for a record date belonging to a given fiscal year (excluding any cumulative unpaid Class B dividends (as defined below) accumulated in accordance with this paragraph for Class B Preferred Dividends for each fiscal year prior to the fiscal year in question) is less than the amount of Class B Preferred Dividends for the fiscal year in question (referring to Class B Preferred Dividends calculated in accordance with Paragraph 2, assuming surplus is distributed with the final day of the fiscal year as the record date; provided, however, that the stipulations of the proviso in Paragraph 2 shall not be applied in this calculation), the difference shall accumulate from the fiscal year after the fiscal year in question (hereinafter, referred to as the “unqualified fiscal year” in this paragraph). In this case, interest shall be added to the cumulative amount, and this interest shall be calculated annually as compound interest at an annual rate of 8.0%, from and including the day after the Annual General Meeting of Shareholders for the unqualified fiscal year (hereinafter, referred to as the “Annual Shareholders Meeting for unqualified year” in this paragraph) until and including the day the cumulative amount is distributed to Class B Shareholders, etc. for each fiscal year on and after the fiscal year following the unqualified fiscal year (for the first year, however, interest shall be calculated from and including the day after the Annual Shareholders Meeting for unqualified year until and including the final day of the fiscal year after the unqualified fiscal year); provided, however, that this calculation shall be performed on a prorated, daily basis, based on a year of 365 days (or 366 days if the fiscal year in question includes a leap day), and the division shall be the final stage of the calculation, with the amount calculated to two (2) decimal places, and the result rounded off to one (1) decimal place. The amount accumulated in accordance with the provisions of this paragraph (the “cumulative unpaid Class B</p>

Existing Articles of Incorporation	Proposed Amendment
(Newly established)	<p><u>dividends”) shall be distributed to Class B Shareholders, etc. in accordance with the order of payment set forth in Article 11-18, Paragraph 1. Furthermore, if any fractions of less than one (1) yen arise when the cumulative unpaid Class B dividends to be distributed are multiplied by the number of Class B Shares for which each Class B Shareholder, etc. holds rights, these fractions shall be rounded down.</u></p> <p><u>(Distribution of Residual Assets)</u>  <u>Article 11-12. When distributing residual assets, the Company shall pay monies equivalent to the total amount per Class B Share of the payment amount, any cumulative unpaid Class B dividends, and any unpaid preferred dividends prorated on a daily basis, as defined in Paragraph 3 (hereinafter, the total amount shall be referred to as the “amount of Class B residual assets to be distributed”), to Class B Shareholders, etc., in accordance with the order of payment set forth in Article 11-18, Paragraph 2; provided, however, that under the provisions of this paragraph, if the day the residual assets will be distributed (hereinafter, the “distribution date” in this chapter) falls in the period from and including the day after the dividend record date until the time surplus is distributed with the relevant dividend record date, cumulative unpaid Class B dividends shall be calculated as though the dividends of surplus with the relevant dividend record date will not be paid. Furthermore, if any fractions of less than one (1) yen arise when the amount of Class B residual assets to be distributed is multiplied by the number of Class B Shares for which each Class B Shareholder, etc. holds rights, these fractions shall be rounded down.</u></p> <p><u>2. The Company shall not distribute any residual assets to Class B Shareholders, etc. other than those provided for in the foregoing paragraph.</u></p> <p><u>3. Any unpaid preferred dividends prorated on a daily basis per Class B Share shall be the amount of Class B Preferred Dividends calculated in accordance with the provisions of Article 11-11, Paragraph 2, assuming that the Class B Preferred Dividends are paid with the distribution date as the record date, in the fiscal year to which the distribution date belongs (hereinafter, the unpaid preferred dividends prorated on a daily basis per Class B Share are referred to as the “per diem unpaid preferred dividends” in this chapter).</u></p>
(Newly established)	<p><u>(Voting Rights)</u>  <u>Article 11-13. Except as otherwise provided by laws and regulations, Class B Shareholders do not have voting rights at the General Meeting of Shareholders.</u></p>
(Newly established)	<p><u>(Put Option with Common Shares as Consideration)</u>  <u>Article 11-14. At any time on or after the issue date of the Class B Shares, Class B Shareholders may demand that the Company acquire all or part of any Class B Shares held, and deliver the number of common shares set forth in Paragraph 2 in exchange (hereinafter, the “underlying common shares” in this chapter) (hereinafter, this right is referred to as the “put option with common shares” in this chapter), and the Company shall thus deliver the underlying common shares to the relevant Class B Shareholders, within the scope permitted by laws and regulations, in exchange for the acquisition of the Class B Shares for which the put option with common shares is exercised.</u></p> <p><u>2. The number of common shares to be delivered in exchange for the acquisition of the Class B Shares shall be the total of i) payment amount, ii) cumulative unpaid Class B dividends, and iii) per diem unpaid preferred dividends per Class B Share multiplied by the number of Class B Shares for which the put option with common shares is exercised, divided by the acquisition price, as defined in Paragraphs 3 and 4. Furthermore, when calculating any per diem unpaid preferred dividends, the “distribution date” in the calculation shall be replaced by the “effective date of the put option with common shares” in this article. In addition, if any fractions of less than one (1) share arise in the total number of common shares to be delivered in exchange for the acquisition of the Class B Shares for which the put option with common shares is exercised, these fractions shall be rounded down, and in this case, the Company shall not deliver any monies provided for in Article 167, Paragraph 3 of the Companies Act.</u></p>

Existing Articles of Incorporation	Proposed Amendment
	<p>3. <u>The initial acquisition price shall be either (a) or (b) below, whichever is the larger amount.</u></p> <p>(a) <u>390.3 yen</u></p> <p>(b) <u>The average VWAP over the 20 consecutive trading days immediately prior to July 15, 2020 and the 20 consecutive trading days from the day after July 15, 2020 (not including July 15, 2020), multiplied by 0.9 (calculated to two (2) decimal places, with the result rounded off to one (1) decimal place).</u></p> <p><u>Furthermore, a “trading day” refers to a day when trading of the Company’s common shares takes place in ordinary trading on the TSE, and shall not include days when no VWAP is announced.</u></p> <p>4. <u>Acquisition Price Adjustment</u></p> <p>(a) <u>If any of the circumstances described below occur, the respective adjustment shall be made to the acquisition price as follows:</u></p> <p>(1) <u>If a share split or gratis allotment of common shares is conducted, the acquisition price will be adjusted using the formula below. Furthermore, in the case of a gratis allotment of shares, parts of the formula below shall be replaced as follows: the “number of outstanding common shares prior to the split” shall be replaced by the “number of outstanding common shares prior to the gratis allotment (provided, however, that this shall exclude common shares held by the Company at that time),” and the “number of outstanding common shares after the split” shall be replaced by the “number of outstanding common shares after the gratis allotment (provided, however, that this shall exclude common shares held by the Company at that time).”</u></p> <p><u>[Formula]</u></p> <p><u>Adjusted acquisition price = <math>A \times B \div C</math></u>  <u>A = Unadjusted acquisition price</u>  <u>B = Number of outstanding common shares prior to the split</u>  <u>C = Number of outstanding common shares after the split</u>  <u>The adjusted acquisition price shall be applied from the day after the record date of the share split or the effective date of the gratis allotment of shares (or the day after the record date if a record date for the gratis allotment of shares is determined).</u></p> <p>(2) <u>If a reverse split of common shares is conducted, the acquisition price will be adjusted using the formula below.</u></p> <p><u>[Formula]</u></p> <p><u>Adjusted acquisition price = <math>A \times B \div C</math></u>  <u>A = Unadjusted acquisition price</u>  <u>B = Number of outstanding common shares prior to the reverse split</u>  <u>C = Number of outstanding common shares after the reverse split</u>  <u>The adjusted acquisition price shall be applied from the effective date of the reverse split of shares.</u></p> <p>(3) <u>If the Company issues common shares or disposes of common shares held by the Company for a payment amount that is below the fair value per common share as set forth in (d) below, the acquisition price will be adjusted using the formula below (hereinafter, referred to as the “acquisition price adjustment formula” in this paragraph) (excluding gratis allotments of shares; the acquisition of shares or stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter, the same applies in this paragraph) in exchange for the delivery of common shares; issuance or disposal owing to the exercise of stock acquisition rights with underlying common shares; and the delivery of common shares owing to a merger, share exchange, or company split). If nonmonetary assets are contributed, the “Payment amount per share” in the acquisition price adjustment formula shall be the appropriately appraised value of the respective assets. The adjusted acquisition price shall be applied from the day after the payment due date (or the final day of the payment period, if a period for payment is determined) or the day after the record date, if a record date for the allotment to shareholders is determined (hereinafter, referred to as the “shareholder allotment date” in this paragraph).</u></p>

Existing Articles of Incorporation	Proposed Amendment
	<p>Furthermore, if the Company disposes of common shares held by the Company, parts of the formula below shall be replaced as follows: the “number of new common shares” shall be replaced by the “number of common shares held by the Company for disposal,” and the “number of common shares held by the Company” shall be replaced by the “number of common shares held by the Company prior to disposal.”</p> <p><u>Adjusted acquisition price = <math>A \times (B - C + D \times E \div F) \div (B - C + D)</math></u></p> <p><u>A = Unadjusted acquisition price</u>  <u>B = Number of outstanding common shares</u>  <u>C = Number of common shares held by the Company</u>  <u>D = Number of new common shares</u>  <u>E = Payment amount per share</u>  <u>F = Fair value per common share</u></p> <p>(4) <u>If the Company issues or disposes of shares that entitle the holder to receive delivery of common shares at an acquisition price per common share below the fair value per common share as set forth in (d) below, through causing the shares to be acquired by the Company or otherwise having the shares acquired by the Company (including gratis allotments of shares), then on the payment due date for these shares (or the final day of the payment period, if a period for payment is determined; hereinafter, the same applies in this item (4)), or the effective date in the case of a gratis allotment of shares (if a record date for the gratis allotment of shares is determined, the record date; hereinafter, the same applies in this item (4)), or the shareholder allotment date, if there is such a date, all shares to be issued or disposed of shall be deemed to have been acquired at the initial terms and common shares thus delivered, and the amount calculated using this amount as the “Payment amount per share” in the acquisition price adjustment formula shall be the adjusted acquisition price. The adjusted acquisition price shall be applied from the day after the payment due date, or in the case of a gratis allotment of shares, the day after the effective date of the gratis allotment of shares, or if there is a shareholder allotment date, the day after that date. Regardless of the above, if the consideration for the common shares to be delivered upon acquisition has not been determined at the above time, then the adjusted acquisition price shall be calculated by assuming that all shares to be issued or disposed of at the time the consideration is determined is acquired according to the terms at the point consideration is determined and the common shares are thus delivered, and the adjusted acquisition price shall be applied from the day after the consideration is determined.</u></p> <p>(5) <u>If the Company issues stock acquisition rights that entitle the holder to receive delivery of common shares at a price at which the total of the payment amount for the stock acquisition rights per common share and the assets to be contributed when exercising the stock acquisition rights (if nonmonetary assets are contributed, the appropriately appraised value of the respective assets; hereinafter, the same applies in this item (5)) is below the fair value per common share as set forth in (d) below, through the exercise of the stock acquisition rights or their acquisition by the Company (including a gratis allotment of stock acquisition rights), then on the allotment date of these stock acquisition rights, or the effective date in the case of a gratis allotment of stock acquisition rights (or the record date, if a record date for the gratis allotment of stock acquisition rights is determined; hereinafter, the same applies in this item (5)), or if there is a shareholder allotment date, this date, all stock acquisition rights to be issued shall be deemed to have been exercised or acquired at the initial terms and common shares thus delivered, and the amount calculated using the total of the payment amount for the stock acquisition rights per common share and the value of assets to be contributed per common share when exercising the stock acquisition rights as the “Payment amount per share” in the acquisition price adjustment formula shall be the adjusted acquisition price. The adjusted acquisition price shall be applied</u></p>

Existing Articles of Incorporation	Proposed Amendment
	<p><u>from the day after the allotment date of the stock acquisition rights, or in the case of a gratis allotment of stock acquisition rights, the day after the effective date of the gratis allotment of stock acquisition rights, or if there is a shareholder allotment date, the day after that date. Regardless of the above, if the consideration for the common shares to be delivered upon acquisition or exercise has not been determined at the above time, then the adjusted acquisition price shall be calculated by assuming that all stock acquisition rights to be issued at the time the consideration is determined are exercised or acquired according to the terms at the point consideration is determined and the common shares are thus delivered, and the adjusted acquisition price shall be applied from the day after the consideration is determined; provided, however, that adjustments to the acquisition price as provided for in this item (5) shall not be applied to stock acquisition rights with underlying common shares issued as stock options to Directors, Corporate Auditors, Executive Officers, other officers, or employees of the Company or its subsidiaries.</u></p> <p><u>(b) In addition to the circumstances described in (a) above, the Company shall make appropriate adjustments to the acquisition price in cases falling under any of the following items (1) through (3), after providing advance notice in writing to Class B Shareholders, etc. to that effect, together with the reasons thereof, the adjusted acquisition price, the date of application, and any other necessary information.</u></p> <p><u>(1) When it is necessary to adjust the acquisition price owing to a merger, share exchange, acquisition of all outstanding shares of another stock company through a share exchange; a share transfer, absorption-type company split, full or partial succession of rights and obligations held by another company regarding its business through an absorption-type company split; or incorporation-type company split;</u></p> <p><u>(2) When two or more circumstances occur one after another in which the acquisition price should be adjusted, and when calculating the fair value that should be used in the calculation of the adjusted acquisition price based on one circumstance, it is necessary to consider the effect of the other circumstance;</u></p> <p><u>(3) When it is otherwise necessary to adjust the acquisition price owing to the occurrence of circumstances under which there is a change or possibility of change in the number of outstanding common shares (however, this excludes the number of common shares held by the Company).</u></p> <p><u>(c) If calculation is required when adjusting the acquisition price, the calculation shall be performed to two (2) decimal places, and the result shall be rounded off to one (1) decimal place.</u></p> <p><u>(d) The fair value per common share used in the acquisition price adjustment formula shall be the average VWAP in the 30 consecutive trading days immediately preceding the date the adjusted acquisition price is applied (however, if a public announcement is made on the Company Announcements Disclosure Service provided by TSE concerning circumstances in which the acquisition price should be adjusted, this shall be the date of said announcement) (the calculation shall be performed to two (2) decimal places, and the result shall be rounded off to one (1) decimal place). Furthermore, a “trading day” refers to a day when trading of the Company’s common shares takes place in ordinary trading on the TSE, and shall not include days when no VWAP is announced.</u></p> <p><u>(e) If the adjustment to the acquisition price is calculated and the difference between the adjusted acquisition price and the unadjusted acquisition price is less than 0.1 yen as a result, the acquisition price will not be adjusted; provided, however, that any adjustments deemed unnecessary under the provisions of this item (e) shall be carried forward, and taken into consideration when calculating subsequent adjustments.</u></p> <p><u>5. Location for Placing Put Option with Common Shares</u>  <u>Shareholder Register Administrator Bureau, 1-4-5 Marunouchi, Chiyoda-ku, Tokyo</u>  <u>Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation</u></p>

Existing Articles of Incorporation	Proposed Amendment
(Newly established)	<p><u>6. Effectiveness of Put Option with Common Shares</u>  <u>The put option with common shares shall take effect when documents required for the put option with common shares arrive at the location for placing put option with common shares, as set forth in the preceding paragraph, or the intended effective date written in these documents, whichever is later.</u></p> <p><u>(Call Options with Monies as Consideration)</u>  <u>Article 11-15. At any time on or after the issue date of the Class B Shares, provided there are no outstanding Class A Shares in existence (excluding those held by the Company), the Company may acquire all of the Class B Shares with monies as consideration, upon the arrival of a day separately determined by the Board of Directors of the Company (hereinafter, referred to as the “monetary consideration redemption date” in this article) within the scope permitted by laws and regulations, provided notice is given in writing to Class B Shareholders, etc. by no later than 20 trading days (referring to days when trading of the Company’s common shares takes place in ordinary trading on the TSE) prior to the monetary consideration redemption date (withdrawal of notice will not be permitted) (hereinafter, referred to as “redemption for monetary consideration” in this article), and the Company shall thus acquire the Class B Shares to which the redemption for monetary consideration will apply, and deliver in exchange to Class B Shareholders (i) the amount obtained by multiplying the payment amount per Class B Share by 1.05, and (ii) the total of any cumulative unpaid Class B dividends and per diem unpaid preferred dividends, both multiplied by the number of Class B Shares to which the redemption for monetary consideration apply. Furthermore, when calculating any per diem unpaid preferred dividends, the “distribution date” in the calculation of the per diem unpaid preferred dividends shall be replaced by the “monetary consideration redemption date” in this article. In addition, if any fractions of less than one (1) yen arise in the monies to be delivered in exchange for the acquisition of the Class B Shares for which the redemption for monetary consideration is conducted, these fractions shall be rounded down.</u></p>
(Newly established)	<p><u>(Elimination of Right to Request Addition of Shareholders to a General Meeting of Shareholders for the Company’s Repurchase of Shares)</u>  <u>Article 11-16. If, by resolution at a General Meeting of Shareholders of the Company, the Company decides to acquire all or part of the Class B Shares held by Class B Shareholders based on an agreement with the Class B Shareholders in question, the provisions of Article 160, Paragraphs 2 and 3 of the Companies Act shall not apply.</u></p>
(Newly established)	<p><u>(Reverse Split or Split of Shares, Allotment of Shares for Subscription, etc.)</u>  <u>Article 11-17. The Company shall not conduct any split or reverse split of shares in regard to the Class B Shares.</u>  <u>2. The Company shall not grant to Class B Shareholders the right to receive allotment of shares for subscription or the right to receive allotment of stock acquisition rights for subscription.</u>  <u>3. The Company shall not conduct gratis allotment of shares or stock acquisition rights to Class B Shareholders.</u></p>
(Newly established)	<p><u>(Order of Preference)</u>  <u>Article 11-18. The order of payment of Class A Preferred Dividends, cumulative unpaid Class A dividends, Class B Preferred Dividends, cumulative unpaid Class B dividends, and dividends of surplus to common shareholders, etc. shall be as follows: first, cumulative unpaid Class A dividends and cumulative unpaid Class B dividends; second, Class A Preferred Dividends and Class B Preferred Dividends; and third, dividends of surplus to common shareholders, etc.</u>  <u>2. The order of payment when distributing residual assets pertaining to Class A Shares, Class B Shares, Class C Shares, and common shares shall be as follows: first, the distribution of residual assets pertaining to Class A Shares, Class B Shares, and Class C Shares; and second, the distribution of residual assets pertaining to common shares.</u>  <u>3. If the surplus or residual assets for the Company to make distributions are less than the total amount required to distribute surplus or residual assets in a certain order, then the Company shall distribute surplus or</u></p>

Existing Articles of Incorporation	Proposed Amendment
(Newly established) (Newly established)	<p><u>residual assets from the surplus or residual assets available in proportion to the amounts required to distribute surplus or residual assets in this order.</u></p> <p style="text-align: center;"><u>CHAPTER II-IV. CLASS C SHARES</u></p> <p><u>(Distribution of Surplus)</u></p> <p><u>Article 11-19. The Company shall not distribute surplus to shareholders holding Class C Shares (“Class C Shareholders”).</u></p>
(Newly established)	<p><u>(Distribution of Residual Assets)</u></p> <p><u>Article 11-20. When distributing residual assets, the Company shall pay one million (1,000,000) yen (hereinafter, the “payment amount”) in this chapter) per Class C Share to Class C Shareholders and registered pledgees of Class C Shares (hereinafter, referred to together with Class C Shareholders as “Class C Shareholders, etc.”), in accordance with the order of payment set forth in Article 11-26, Paragraph 2.</u></p> <p><u>2. The Company shall not distribute any residual assets to Class C Shareholders, etc. other than those provided for in the foregoing paragraph.</u></p>
(Newly established)	<p><u>(Voting Rights)</u></p> <p><u>Article 11-21. Except as otherwise provided by laws and regulations, Class C Shareholders do not have voting rights at the General Meeting of Shareholders.</u></p>
(Newly established)	<p><u>(Put Option with Common Shares as Consideration)</u></p> <p><u>Article 11-22. At any time on or after the issue date of the Class C Shares, Class C Shareholders may demand that the Company acquire all or part of any Class C Shares held, and deliver the number of common shares set forth in Paragraph 2 in exchange (hereinafter, the “underlying common shares” in this chapter) (hereinafter, this right is referred to as the “put option with common shares” in this chapter), and the Company shall thus deliver the underlying common shares to the relevant Class C Shareholders, within the scope permitted by laws and regulations, in exchange for the acquisition of the Class C Shares for which the put option with common shares is exercised.</u></p> <p><u>2. The number of common shares to be delivered in exchange for the acquisition of the Class C Shares shall be the total payment amount per Class C Share multiplied by the number of Class C Shares for which the put option with common shares is exercised, divided by the acquisition price, as defined in Paragraphs 3 and 4. In addition, if any fractions of less than one (1) share arise in the total number of common shares to be delivered in exchange for the acquisition of the Class C Shares for which the put option with common shares is exercised, these fractions shall be rounded down, and in this case, the Company shall not deliver any monies provided for in Article 167, Paragraph 3 of the Companies Act.</u></p> <p><u>3. The initial acquisition price shall be 390.3 yen.</u></p> <p><u>4. Acquisition Price Adjustment</u></p> <p><u>(a) If any of the circumstances described below occur, the respective adjustment shall be made to the acquisition price as follows:</u></p> <p><u>(1) If a share split or gratis allotment of common shares is conducted, the acquisition price will be adjusted using the formula below. Furthermore, in the case of a gratis allotment of shares, parts of the formula below shall be replaced as follows: the “number of outstanding common shares prior to the split” shall be replaced by the “number of outstanding common shares prior to the gratis allotment (provided, however, that this shall exclude common shares held by the Company at that time),” and the “number of outstanding common shares after the split” shall be replaced by the “number of outstanding common shares after the gratis allotment (provided, however, that this shall exclude common shares held by the Company at that time).”</u></p> <p><u>[Formula]</u></p> <p><u>Adjusted acquisition price = A × B ÷ C</u></p> <p><u>A = Unadjusted acquisition price</u></p> <p><u>B = Number of outstanding common shares prior to the split</u></p> <p><u>C = Number of outstanding common shares after the split</u></p> <p><u>The adjusted acquisition price shall be applied from the day</u></p>

Existing Articles of Incorporation	Proposed Amendment
	<p>after the record date of the share split or the effective date of <u>the gratis allotment of shares (or the day after the record date if a record date for the gratis allotment of shares is determined).</u></p> <p>(2) <u>If a reverse split of common shares is conducted, the acquisition price will be adjusted using the formula below.</u>  <u>[Formula]</u>  <u>Adjusted acquisition price = <math>A \times B \div C</math></u>  <u>A = Unadjusted acquisition price</u>  <u>B = Number of outstanding common shares prior to the reverse split</u>  <u>C = Number of outstanding common shares after the reverse split</u>  <u>The adjusted acquisition price shall be applied from the effective date of the reverse split of shares.</u></p> <p>(3) <u>If the Company issues common shares or disposes of common shares held by the Company for a payment amount that is below the fair value per common share as set forth in (d) below, the acquisition price will be adjusted using the formula below (hereinafter, referred to as the “acquisition price adjustment formula” in this paragraph) (excluding gratis allotments of shares; the acquisition of shares or stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter, the same applies in this paragraph) in exchange for the delivery of common shares; issuance or disposal owing to the exercise of stock acquisition rights with underlying common shares; and the delivery of common shares owing to a merger, share exchange, or company split). If nonmonetary assets are contributed, the “Payment amount per share” in the acquisition price adjustment formula shall be the appropriately appraised value of the respective assets. The adjusted acquisition price shall be applied from the day after the payment due date (or the final day of the payment period, if a period for payment is determined) or the day after the record date, if a record date for the allotment to shareholders is determined (hereinafter, referred to as the “shareholder allotment date” in this paragraph). Furthermore, if the Company disposes of common shares held by the Company, parts of the formula below shall be replaced as follows: the “number of new common shares” shall be replaced by the “number of common shares held by the Company for disposal.” and the “number of common shares held by the Company” shall be replaced by the “number of common shares held by the Company prior to disposal.”</u>  <u>Adjusted acquisition price = <math>A \times (B - C + D \times E \div F) \div (B - C + D)</math></u>  <u>A = Unadjusted acquisition price</u>  <u>B = Number of outstanding common shares</u>  <u>C = Number of common shares held by the Company</u>  <u>D = Number of new common shares</u>  <u>E = Payment amount per share</u>  <u>F = Fair value per ordinary share</u></p> <p>(4) <u>If the Company issues or disposes of shares that entitle the holder to receive delivery of common shares at an acquisition price per common share below the fair value per common share as set forth in (d) below, through causing the shares to be acquired by the Company or otherwise having the shares acquired by the Company (including gratis allotments of shares), then on the payment due date for these shares (or the final day of the payment period, if a period for payment is determined; hereinafter, the same applies in this item (4)), or the effective date in the case of a gratis allotment of shares (if a record date for the gratis allotment of shares is determined, the record date; hereinafter, the same applies in this item (4)), or the shareholder allotment date, if there is such a date, all shares to be issued or disposed of shall be deemed to have been acquired at the initial terms and common shares thus delivered, and the amount calculated using this amount as the “Payment amount per share” in the acquisition price adjustment formula shall be the adjusted</u></p>

Existing Articles of Incorporation	Proposed Amendment
	<p><u>acquisition price. The adjusted acquisition price shall be applied from the day after the payment due date, or in the case of a gratis allotment of shares, the day after the effective date of the gratis allotment of shares, or if there is a shareholder allotment date, the day after that date. Regardless of the above, if the consideration for the common shares to be delivered upon acquisition has not been determined at the above time, then the adjusted acquisition price shall be calculated by assuming that all shares to be issued or disposed of at the time the consideration is determined is acquired according to the terms at the point consideration is determined and the common shares are thus delivered, and the adjusted acquisition price shall be applied from the day after the consideration is determined.</u></p> <p><u>(5) If the Company issues stock acquisition rights that entitle the holder to receive delivery of common shares at a price at which the total of the payment amount for the stock acquisition rights per common share and the assets to be contributed when exercising the stock acquisition rights (if nonmonetary assets are contributed, the appropriately appraised value of the respective assets; hereinafter, the same applies in this item (5)) is below the fair value per common share as set forth in (d) below, through the exercise of the stock acquisition rights or their acquisition by the Company (including a gratis allotment of stock acquisition rights), then on the allotment date of these stock acquisition rights, or the effective date in the case of a gratis allotment of stock acquisition rights (or the record date, if a record date for the gratis allotment of stock acquisition rights is determined; hereinafter, the same applies in this item (5)), or if there is a shareholder allotment date, this date, all stock acquisition rights to be issued shall be deemed to have been exercised or acquired at the initial terms and common shares thus delivered, and the amount calculated using the total of the payment amount for the stock acquisition rights per common share and the value of assets to be contributed per common share when exercising the stock acquisition rights as the "Payment amount per share" in the acquisition price adjustment formula shall be the adjusted acquisition price. The adjusted acquisition price shall be applied from the day after the allotment date of the stock acquisition rights, or in the case of a gratis allotment of stock acquisition rights, the day after the effective date of the gratis allotment of stock acquisition rights, or if there is a shareholder allotment date, the day after that date. Regardless of the above, if the consideration for the common shares to be delivered upon acquisition or exercise has not been determined at the above time, then the adjusted acquisition price shall be calculated by assuming that all stock acquisition rights to be issued at the time the consideration is determined are exercised or acquired according to the terms at the point consideration is determined and the common shares are thus delivered, and the adjusted acquisition price shall be applied from the day after the consideration is determined; provided, however, that adjustments to the acquisition price as provided for in this item (5) shall not be applied to stock acquisition rights with underlying common shares issued as stock options to Directors, Corporate Auditors, Executive Officers, other officers, or employees of the Company or its subsidiaries.</u></p> <p><u>(b) In addition to the circumstances described in (a) above, the Company shall make appropriate adjustments to the acquisition price in cases falling under any of the following items (1) through (3), after providing advance notice in writing to Class C Shareholders, etc. to that effect, together with the reasons thereof, the adjusted acquisition price, the date of application, and any other necessary information.</u></p> <p><u>(1) When it is necessary to adjust the acquisition price owing to a merger, share exchange, acquisition of all outstanding shares of another stock company through a share exchange; a share transfer, absorption-type company split, full or partial succession of rights and obligations held by another company regarding its business through an absorption-type company split; or incorporation-type company split;</u></p> <p><u>(2) When two or more circumstances occur one after another in</u></p>

Existing Articles of Incorporation	Proposed Amendment
(Newly established)	<p><u>which the acquisition price should be adjusted, and when calculating the fair value that should be used in the calculation of the adjusted acquisition price based on one circumstance, it is necessary to consider the effect of the other circumstance;</u></p> <p><u>(3) When it is otherwise necessary to adjust the acquisition price owing to the occurrence of circumstances under which there is a change or possibility of change in the number of outstanding common shares (however, this excludes the number of common shares held by the Company).</u></p> <p><u>(c) If calculation is required when adjusting the acquisition price, the calculation shall be performed to two (2) decimal places, and the result shall be rounded off to one (1) decimal place.</u></p> <p><u>(d) The fair value per common share used in the acquisition price adjustment formula shall be the average VWAP in the 30 consecutive trading days immediately preceding the date the adjusted acquisition price is applied (however, if a public announcement is made on the Company Announcements Disclosure Service provided by TSE concerning circumstances in which the acquisition price should be adjusted, this shall be the date of said announcement) (the calculation shall be performed to two (2) decimal places, and the result shall be rounded off to one (1) decimal place). Furthermore, a “trading day” refers to a day when trading of the Company’s common shares takes place in ordinary trading on the TSE, and shall not include days when no VWAP is announced.</u></p> <p><u>(e) If the adjustment to the acquisition price is calculated and the difference between the adjusted acquisition price and the unadjusted acquisition price is less than 0.1 yen as a result, the acquisition price will not be adjusted; provided, however, that any adjustments deemed unnecessary under the provisions of this item (e) shall be carried forward, and taken into consideration when calculating subsequent adjustments.</u></p> <p><u>5. Location for Placing Put Option with Common Shares</u>  <u>Shareholder Register Administrator Bureau, 1-4-5 Marunouchi, Chiyoda-ku, Tokyo</u>  <u>Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation</u></p> <p><u>6. Effectiveness of Put Option with Common Shares</u>  <u>The put option with common shares shall take effect when documents required for the put option with common shares arrive at the location for placing put option with common shares, as set forth in the preceding paragraph, or the intended effective date written in these documents, whichever is later.</u></p> <p><u>(Call Options with Monies as Consideration)</u>  <u>Article 11-23. At any time on or after the issue date of the Class C Shares, provided there are no outstanding Class A Shares or Class B Shares in existence (excluding those held by the Company), the Company may acquire all of the Class C Shares with monies as consideration, upon the arrival of a day separately determined by the Board of Directors of the Company (hereinafter, referred to as the “monetary consideration redemption date” in this article) within the scope permitted by laws and regulations, provided notice is given in writing to Class C Shareholders, etc. by no later than 20 trading days (referring to days when trading of the Company’s common shares takes place in ordinary trading on the TSE; hereinafter, the same applies) prior to the monetary consideration redemption date (withdrawal of notice will not be permitted) (hereinafter, referred to as “redemption for monetary consideration” in this article), and the Company shall thus acquire the Class C Shares to which the redemption for monetary consideration will apply, and deliver in exchange to Class C Shareholders the amount obtained by multiplying the payment amount per Class C Share by the redemption coefficient as defined below, by the number of Class C Shares to which the redemption for monetary consideration apply. In addition, if any fractions of less than one (1) yen arise in the monies to be delivered in exchange for the acquisition of the Class C Shares for which the redemption for monetary consideration is conducted, these fractions shall be rounded down.</u>  <u>In this chapter, the “redemption coefficient” refers to the following numbers set forth in (1) through (6) below, in accordance with the</u></p>

Existing Articles of Incorporation	Proposed Amendment
	<p><u>period given in (1) through (6) below to which the monetary consideration redemption date belongs:</u></p> <p><u>(1) From the day after the issue date of the Class C Shares until June 30, 2021: 1.13</u></p> <p><u>(2) From July 1, 2021 until June 30, 2022: 1.25</u></p> <p><u>(3) From July 1, 2022 until June 30, 2023: 1.37</u></p> <p><u>(4) From July 1, 2023 until June 30, 2024: 1.51</u></p> <p><u>(5) From July 1, 2024 until June 30, 2025: 1.66 or the parity coefficient, whichever is higher</u></p> <p><u>(6) From July 1, 2025 onward: 1.80</u></p> <p><u>The “parity coefficient” shall be calculated using the following formula: provided, however, it shall not exceed 1.80.</u></p> $1 + [(a) \div (b)] - 1]$ <p><u>(a) The closing price of the Company’s common shares in ordinary trading on the TSE on trading day prior to the day notification is given regarding the redemption for monetary consideration</u></p> <p><u>(b) The effective acquisition price, as set forth in Paragraphs 3 and 4 of the foregoing article on the monetary consideration redemption date</u></p>
(Newly established)	<p><u>(Elimination of Right to Request Addition of Shareholders to a General Meeting of Shareholders for the Company’s Repurchase of Shares)</u></p> <p><u>Article 11-24. If, by resolution at a General Meeting of Shareholders of the Company, the Company decides to acquire all or part of the Class C Shares held by Class C Shareholders based on an agreement with the Class C Shareholders in question, the provisions of Article 160, Paragraphs 2 and 3 of the Companies Act shall not apply.</u></p>
(Newly established)	<p><u>(Reverse Split or Split of Shares, Allotment of Shares for Subscription, etc.)</u></p> <p><u>Article 11-25. The Company shall not conduct any split or reverse split of shares in regard to the Class C Shares.</u></p> <p><u>2. The Company shall not grant to Class C Shareholders the right to receive allotment of shares for subscription or the right to receive allotment of stock acquisition rights for subscription.</u></p> <p><u>3. The Company shall not conduct gratis allotment of shares or stock acquisition rights to Class C Shareholders.</u></p>
(Newly established)	<p><u>(Order of Preference)</u></p> <p><u>Article 11-26. The order of payment of Class A Preferred Dividends, cumulative unpaid Class A dividends, Class B Preferred Dividends, cumulative unpaid Class B dividends, and dividends of surplus to common shareholders, etc. shall be as follows: first, cumulative unpaid Class A dividends and cumulative unpaid Class B dividends; second, Class A Preferred Dividends and Class B Preferred Dividends; and third, dividends of surplus to common shareholders, etc.</u></p> <p><u>2. The order of payment when distributing residual assets pertaining to Class A Shares, Class B Shares, Class C Shares, and common shares shall be as follows: first, the distribution of residual assets pertaining to Class A Shares, Class B Shares, and Class C Shares; and second, the distribution of residual assets pertaining to common shares.</u></p> <p><u>3. If the surplus or residual assets for the Company to make distributions are less than the total amount required to distribute surplus or residual assets in a certain order, then the Company shall distribute surplus or residual assets from the surplus or residual assets available in proportion to the amounts required to distribute surplus or residual assets in this order.</u></p>
<p>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 12. — (Omitted)</p> <p>Article 16.</p>	<p>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 12. — (Unchanged)</p> <p>Article 16.</p>
(Newly established)	<p><u>(General Meeting of Class Shareholders)</u></p> <p><u>Article 16-2. The provisions of Article 11 shall apply mutatis mutandis to the General Meeting of Class Shareholders, held on the same day as the Annual General Meeting of Shareholders.</u></p>

Existing Articles of Incorporation	Proposed Amendment
<p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 17. — (Omitted)</p> <p>Article 28.</p>	<p><u>2. The provisions of Articles 12, 13, 14, and 16 shall apply mutatis mutandis to the General Meeting of Class Shareholders.</u></p> <p><u>3. The provisions of Article 15 shall apply mutatis mutandis to resolutions passed by the General Meeting of Class Shareholders, as provided for in Article 324, Paragraph 1 of the Companies Act.</u></p> <p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 17. — (Unchanged)</p> <p>Article 28.</p>
<p>CHAPTER V. OPERATING OFFICERS AND OPERATING OFFICERS MEETING</p> <p><u>(Election and the Operating Officers Meeting)</u></p> <p>Article 29. The Company may appoint Operating Officers by resolution of the Board of Directors, and have them execute the business operations of the Company.</p> <p><u>2. The Operating Officers shall comprise the Operating Officers Meeting.</u></p> <p><u>3. Decisions related to Operating Officers and the Operating Officers Meeting shall be governed by the Operating Officer Rules and the Operating Officers Meeting Rules.</u></p>	<p>CHAPTER V. OPERATING OFFICERS</p> <p>(Election)</p> <p>Article 29. The Company may appoint Operating Officers by resolution of the Board of Directors, and have them execute the business operations of the Company.</p> <p>(Removed)</p> <p><u>2. Decisions related to Operating Officers shall be governed by the Operating Officer Rules.</u></p>
<p>CHAPTER VI. AUDIT AND SUPERVISORY COMMITTEE</p> <p>Article 30. — (Omitted)</p> <p>Article 34.</p>	<p>CHAPTER VI. AUDIT AND SUPERVISORY COMMITTEE</p> <p>Article 30. — (Unchanged)</p> <p>Article 34.</p>
<p>CHAPTER VII. ACCOUNTING AUDITOR</p> <p>Article 35. — (Omitted)</p> <p>Article 38.</p>	<p>CHAPTER VII. ACCOUNTING AUDITOR</p> <p>Article 35. — (Unchanged)</p> <p>Article 38.</p>
<p>CHAPTER VIII. ACCOUNTS</p> <p>Article 39. — (Omitted)</p> <p>Article 41.</p>	<p>CHAPTER VIII. ACCOUNTS</p> <p>Article 39. — (Unchanged)</p> <p>Article 41.</p>
<p>SUPPLEMENTARY PROVISIONS (Omitted)</p>	<p>SUPPLEMENTARY PROVISIONS (Unchanged)</p>

## Proposal No. 2: Issuance of Shares for Subscription (Class A and Class C Shares) by Allocation to Third Party

Pursuant to Article 199 of the Companies Act, for the reason stated in 1. below and through the process stated in 2. below, the Company requests the shareholders' approval of the issuance of shares for subscription (Class A and Class C shares, hereinafter the "Class Shares") by allocation to third party (the "Third Party Allotment Capital Increase") to Japan Industrial Solutions Fund II (the "Planned Allottee").

The Third Party Allotment Capital Increase shall be subject to the condition that Proposal No. 1 is approved as proposed and the partial amendment of the Articles of Incorporation becomes effective. In addition, the Company and the Planned Allottee entered into an underwriting agreement (the "Agreement") dated July 15, 2020 which states that the Planned Allottee's payment for the Class Shares shall be subject to the conditions that Proposals No. 1 through 4 are approved as proposed at this Extraordinary General Meeting of Shareholders, the Company and the counterparty financial institutions agree on relevant details that are reasonably satisfactory to the Planned Allottee, and that the necessary procedures with regard to competition laws overseas have been completed, among others.

In addition, if the Class Shares are allotted to the Planned Allottee through the Third Party Allotment Capital Increase, assuming that the put option with common shares as consideration is exercised for all of the Class Shares, and provided that there are no cumulative unpaid dividends nor unpaid preferred dividends prorated on a daily basis for Class A shares, common shares with a maximum total of 512,425 voting rights will be delivered, equal to approximately 114.6% of the total number of voting rights, 447,068, for the outstanding common shares of the Company, based on the shareholder register as of March 31, 2020. Through this method, the Third Party Allotment Capital Increase will result in a dilution rate of 25% or greater, and therefore the Company requests that the shareholders confirm their intentions regarding this proposal at this Extraordinary General Meeting of Shareholders in accordance with Article 432 of the Securities Listing Regulations prescribed by Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange").

### 1. Reason for issuance of shares for subscription at a payment amount that is particularly advantageous

#### (1) Background and purpose of subscription

The Company is a business group operating globally focusing primarily on the auto electrical products and motorcycle electrical products business. The Company develops top-of-the-line products over the medium- to long-term by interconnecting control and mechanism technologies with our core strength in motor technology in face of the accelerating pace of technical innovations in the automobile and motorcycle markets and increasingly diverse needs in the global market. Through meeting customer needs for safety and peace of mind in the diversifying mobility market and integrating the collective strengths of the Mitsubishi Group, the Company has continued to develop and create new markets especially tailored to products and services for an ecological society.

Under these circumstances, the Company developed "Mitsuba Vision 2024" in 2013 toward a goal of expanding the revenue base. In regard to capex, the Company continued expanding domestic and overseas sites aiming at establishing a global supply system and investment aiming at establishing flexible capabilities in responding to customers by internalizing the development of equipment, jigs, and molds. In addition, as a result of the expansion of businesses for emerging countries such as India, which has seen remarkable growth, net sales increased from 272.5 billion yen in the fiscal year ended March 31, 2014 to 304.2 billion yen in the fiscal year ended March 31, 2020.

In contrast to this, on November 22, 2012, the Company received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission for violations of the Antimonopoly Act regarding the manufacture and sales of automotive starters and automotive wiper systems. Furthermore, on September 26, 2013, the Company reached an agreement with the U.S. Department of Justice to pay a 135 million dollar fine for violating the antitrust laws and other related laws and regulations. After that, as funds continued to flow out of the Company in relation to the cartel issue, such as in August 2017 when a consensus was reached with a portion of the plaintiffs in a group civil litigation in the U.S. to pay a settlement of 10,752 million yen, the financial health of the Company has significantly deteriorated as a result. Moreover, as the sense of impending economic recession has intensified worldwide in recent years due to growing uncertainties associated with trade friction between the U.S. and China and the Brexit issue, the Company's net sales, particularly overseas, have continued to decline beyond expectations. Furthermore, from the fourth quarter of the fiscal year ended March 31, 2020, the spread of COVID-19 has caused a drastic downturn in the global economy, which has also had a significant impact on the business activities of the Company. Under these circumstances, the Company resolved to implement a fundamental structural reform, and recorded 12.4 billion yen in business

restructuring costs (including impairment loss), etc. as extraordinary losses in the fiscal year ended March 31, 2020. As a result, in the fiscal year ended March 31, 2020, the Company recorded a loss attributable to owners of parent of 13.8 billion yen, and the consolidated shareholders' equity ratio fell from 21.9% in the fiscal year ended March 31, 2014 to 9.2% in the fiscal year ended March 31, 2020.

The Company recognizes that the decline in financial and business performance is a result of many factors, including 1) overstressing sales (pursuit of scale over profitability due to past successes, active expansion of overseas bases and capex toward sales growth), 2) heated price competition (transformation of auto parts makers into mega-suppliers (Note) and heated price competition, delays in the development of high-value-added products), 3) decline in price competitiveness (insufficient coordination between divisions as the organization became increasingly fragmented and specialized, pursuit of global production/supply system led to higher fixed costs driven by capex and quality-related costs), and 4) capex growth (inadequate management system and decision-making process for capex projects, insufficient monitoring of investment projects).

Note: "Mega-suppliers" is the term commonly used to refer to companies that supply parts to major automobile manufacturers globally with large-scale sales. In recent years, mega-suppliers have continued to expand their sales volumes, resulting in further intensifying price competition.

In order to overcome this situation while regaining stable financial health and a recovery track in business performance, to achieve fundamental structural reform, the Company established the 12th Midterm Management Plan (the "Plan") based on three key measures of 1) business restructuring, 2) reinforcement of corporate structure, and 3) measures aimed at next-generation businesses. Specifically, as for 1) business restructuring, we will promote restructuring of the global production/supply system in the auto business, and going forward, we will shift management resources to the motorcycle business with growth prospects. As for 2) reinforcement of corporate structure, we will strengthen financial health by improving free cash flow (control fixed costs) and promote continuous improvement as a development oriented manufacturing company as well as reinforcement of governance and management capability and innovation of the production process. Moreover, as for 3) measures aimed at next-generation businesses, we will promote creation of new value products and raise product value-added via reinforcement of system development and electromechanical integration. In addition, we will establish an organizational structure for preventing occurrence and reoccurrence of quality issues and ensuring early resolution. The Company will strive to develop a stable revenue base by pushing forward with this restructuring. Please refer to "Notification regarding institution of the midterm management plan" announced by the Company on July 15, 2020 for details of the Plan.

The Company reached the conclusion that, in order for the Company to emerge from the current severe management environment and thoroughly implement each of the key measures in the Plan, it is essential to secure necessary funds and strive to promptly improve financial health by reinforcing capital through the procurement of reliable capital funds from external investors while receiving various business support, and strive to quickly and fundamentally resolve the financial and business issues faced by the Company. With this in mind, in order to hold specific discussions with external investors and seek the possibility of raising funds on more advantageous terms for the Company, since August 2019, the Company has considered the selection of an external investor who can provide capital funds to the Company. As a result of this consideration, in October 2019, the Planned Allottee expressed the possibility of investment in the Company, upon which the Company appointed Mori Hamada & Matsumoto as its legal advisor and Deloitte Tohmatsu Financial Advisory LLC ("Deloitte Tohmatsu Financial Advisory") as its financial advisor. Thereafter, the Planned Allottee conducted due diligence from December 2019, and in April 2020, the Company entered into discussions with the Planned Allottee with respect to the specifics of the Planned Allottee's offer. Subsequently, the Company received a specific investment offer from the Planned Allottee based on the results of the due diligence and other relevant factors. The Company has considered the Planned Allottee's experience investing in class shares, characteristics as an investor, and the details of the offer (size of the amount of issuance of class shares and other economic conditions), and concluded that the offer presents the best possible option for the Company at the present time, and accordingly, the Company resolved to accept the Planned Allottee's investment offer. The Planned Allottee is an investor that understands the business objectives and management policies of the Company, and appreciates the Company's potential for growth by developing a stable revenue base through the resolute execution of the fundamental structural reform. In addition, the Company has determined that the Planned Allottee would be the ideal partner to improve corporate value of the Company because the Planned Allottee has experience investing in class shares and has supported investee companies in past investment projects, and would be able to provide necessary advice to the Company for steadily implementing each of the key measures listed in the Plan.

## (2) Reason for selection of the Third Party Allotment Capital Increase

While the Company has sought to stabilize its financial health and has examined various options from the perspective of considering the impact on existing shareholders, in light of the Company's financial situation whereby consolidated net assets were 44.4 billion yen and the consolidated shareholders' equity ratio was 9.2% in the fiscal year ended March 31, 2020, and having experienced a significant reduction in net assets, the Company believes that rather than seeking to procure funds that are liabilities by nature by borrowing from financial institutions or issuing bonds, it is necessary and appropriate to reinforce shareholders' equity by procuring funds that are capital in nature.

In addition, the Company has determined that, considering factors such as the current economic conditions, state of capital markets, management environment surrounding the Company, financial position and operating results of the Company, and the state of the Company's share price, a capital increase through a public offering or through conducting a third party allotment of common shares would immediately cause dilution of common shares, which could be disadvantageous to existing shareholders, and inappropriate as a fund procurement method. With respect to a gratis allotment of stock acquisition rights (rights offering) that would allocate stock acquisition rights to existing shareholders or conducting an allotment of shares that would allocate shares to existing shareholders, the Company has reached the conclusion that the amount of funds that can be procured through these methods is unclear, because shareholders may not necessarily exercise all stock acquisition rights in light of share price trends and other factors, and because shareholders may not necessarily respond to the shareholder allotment, and is therefore currently not an appropriate option for the Company.

In contrast to this, the Company has determined that a capital increase through third party allotment of class shares would ensure the procurement of the required amount of funds, make it possible to avoid the sudden dilution of shares or a change in shareholder composition while procuring capital funds where the financial instrument is designed appropriately, and furthermore, enable the selection of an appropriate external investor, thereby presenting the most effective option for the Company. Accordingly, as stated in "(1) Background and purpose of subscription" above, as a result of considering the selection of an external investor, an offer was received from the Planned Allottee to conduct the Third Party Allotment Capital Increase. Accordingly, the Company resolved to issue the Class Shares to the Planned Allottee through a third party allotment, which would restrict the sudden dilution of shares and would not have an immediate effect on the shareholder composition after issuance, taking into consideration the potential immediate impact that a sudden and significant dilution of shares or change in shareholder composition resulting from conducting a capital increase through third party allotment of common shares equivalent to the required funds would have on the stable business operations and the share price of the Company. The Company reached the conclusion that conducting the Third Party Allotment Capital Increase presents the best possible option for the Company at the present time to promptly improve its financial health and strive to quickly and fundamentally resolve the financial and business issues faced by the Company.

The Company intends to raise 20.0 billion yen through the Third Party Allotment Capital Increase, of which 15.0 billion yen will be procured in Class A shares, in addition to 5.0 billion yen that will be procured in Class C shares, which will not be subject to dividend of surplus and will allow the rate of dilution to be fixed at approximately 28.7% from the beginning. The Company's policy is to redeem the entire amount of the 20.0 billion yen to be procured through the Third Party Allotment Capital Increase by monetary compensation, which is intended to either suppress the capital burden associated with the payment of preferred dividends as much as possible until such redemption occurs, or suppress concerns of dilution as much as possible in case a portion is not redeemable.

In addition, the Class B shares will be issued through the exercise of put options with monies and Class B shares as consideration attached to Class A shares. In this design, the total of i) the payment amount for the Class A shares, ii) cumulative unpaid dividends, and iii) unpaid preferred dividends prorated on a daily basis is redeemed in cash, in addition to a maximum of 40.0% of the payment amount of the Class A shares of 15.0 billion yen being redeemed in Class B shares as a redemption premium. By adopting this design, the Company will be able to redeem the entire amount, including the redemption premium, in money, and suppress the capital burden of the Company compared with the case in which call options with only monies as consideration are exercised, while being able to restrict dilution compared with the case in which put options with common shares as consideration are exercised for all of the Class A shares.

Under the Agreement, the Planned Allottee is not entitled to exercise put options with common shares as consideration attached to the Class Shares unless the conversion restriction is removed upon a certain prescribed event provided for in the Agreement, until June 30, 2024. As a result, the Company will be able to secure some time for enhancing corporate value through the implementation of the Plan, which enters the final year in the fiscal year ending March 31, 2024. In addition, by implementing the Plan, the Company intends to

accumulate internal reserves and use call options with monies as consideration to acquire the Class Shares, thereby prevent the materialization of any dilution from the put option with common shares, etc. as consideration as much as possible.

### (3) Reason for selection of the Planned Allottee

As stated in “(1) Background and purpose of subscription” above, the Planned Allottee is an investor that understands the business objectives and management policies of the Company, and appreciates the Company's potential for growth. In addition, the Company has determined that the Planned Allottee would be the ideal partner to improve corporate value of the Company because the Planned Allottee has experience investing in class shares and has supported investee companies in past investment projects, and would be able to provide necessary advice to the Company for steadily implementing each of the key measures listed in the Plan.

The Company and the Planned Allottee have entered into an agreement on matters regarding investment in the Company, which includes details as follows.

#### 1) Matters to be observed by the Company

The Company has pledged the following to the Planned Allottee: 1) to make the best reasonable effort to ensure that the Plan is realized; 2) to submit a proposal to elect one (1) person designated by the Planned Allottee as the Company's part-time External Director at each General Meeting of Shareholders for the election of directors, and make the best reasonable effort to ensure that such a proposal is approved; 3) to establish and convene a monitoring meeting regarding the state of progress on the Plan, etc. and report a summary of the results of said meeting to the Board of Directors of the Company; 4) to obtain prior approval from the Planned Allottee for amendment of the Articles of Incorporation, etc., issuance of shares, etc., acquisition of treasury shares, dividends of surplus, acquisition or disposal of certain significant assets, certain acts of reorganization, new borrowings, etc., declaration of bankruptcy disposition procedures, etc., amendment of the Plan, or other conduct that requires a resolution by the General Meeting of Shareholders (provided, however, the Planned Allottee shall not unreasonably reject or withhold such approval); 5) to make prescribed reports on the status of compliance with laws and regulations to the Planned Allottee; 6) to make the best reasonable effort to take necessary measures for generating the distributable amount after holding discussions with the Planned Allottee in order to realize dividends of surplus for the Class A shares and Class B shares to the Planned Allottee; and 7) to accept person(s) designated for secondment by the Planned Allottee and adopt outside expert(s) recommended by the Planned Allottee, for the Planned Allottee to support the execution and management of the Plan.

#### 2) Restriction on exercising put options

The Planned Allottee may not exercise put options with common shares or monies and Class B shares as compensation attached to Class A shares unless the conversion restriction is removed upon a certain prescribed event provided for in the Agreement, and may not exercise put options with common shares as consideration attached to Class C shares, from the payment date until June 30, 2024.

#### 3) Restriction on transfer

Although there are no restrictions on transfer of the Class Shares, under the Agreement, unless the transfer restriction is removed upon a certain prescribed event provided for in the Agreement, approval is required by the Board of Directors of the Company for the Planned Allottee to transfer the Class Shares to a third party during the period until June 30, 2024.

#### 4) Preconditions for the payment obligation

The preconditions for the Planned Allottee's obligation to pay for the Class Shares include that this Extraordinary General Meeting of Shareholders approves each of the Proposals No. 1 through 4, the Company and the counterparty financial institutions agree on relevant details that are reasonably satisfactory to the Planned Allottee, and that the necessary procedures with regard to competition laws overseas have been completed, among others.

### (4) Basis and details regarding calculation of the payment amount

In order to realize fund procurement on terms that are most advantageous for the Company, from April 2020 and onward, the Company engaged in a series of negotiations with the Planned Allottee regarding the methods and details of the investment involved in the Third Party Allotment Capital Increase taking into account matters such as the current severe management environment and financial situation surrounding the Company, requirement for a large amount of capital funds, and its current share price. In particular, in light of the marketability of the Class Shares with put options with common shares as consideration, the Company

held earnest negotiations regarding the Agreement, which included specific details on the exercising period of put options and the conditions for removing the conversion restriction, in order to mitigate the impact on existing shareholders. As a result, the Company and the Planned Allottee reached an agreement on terms that the Company deems reasonable, and resolved that the payment amount for the Class Shares shall be 1,000,000 yen per share. The Company believes that this payment amount is reasonable upon comprehensively considering relevant facts such as that the Planned Allottee will also bear commensurate risk in the Third Party Allotment Capital Increase in light of the design of the Class Shares, as well as the negotiation process detailed above and the current severe situation surrounding the Company.

However, as there are various views regarding the valuation of class shares, in determining the issuance conditions of the Class Shares the Company requested that Deloitte Tohmatsu Financial Advisory, which is a third party appraiser independent of the Company, calculate the value of the Class Shares in order to ensure fairness, and obtained a valuation report for the Class Shares (the "Share Valuation Report"). Based on certain assumptions (dividend rate of the Class Shares, put options, call options, share price and share price volatility of common shares of the Company, etc.), Deloitte Tohmatsu Financial Advisory has calculated the value of the Class Shares using the binomial tree model, which is a generally accepted valuation model. The Share Valuation Report states that the price per Class A share is 1,071 thousand yen to 1,379 thousand yen, and the price per Class C share is 935 thousand yen to 1,169 thousand yen.

Details of the results of the value calculation for the Class Shares are as follows.

1) Results of the value calculation for the Class Shares

Class A shares	1,071 thousand yen to 1,379 thousand yen per share
Class C shares	935 thousand yen to 1,169 thousand yen per share

2) Outline of numerical values adopted

Share price	381 yen (the closing price of the common shares of the Company at the Tokyo Stock Exchange on July 14, 2020)
Dividend yield	0.0% (calculated based on the most recent dividend of common shares of the Company)
Share price volatility	50.0% (calculated by observing the most recent share price information on a daily basis)
Risk-free rate	-0.1% (adopting long-term yield of Japanese government bonds)

As described above, the Company believes that the payment amount for the Class Shares is reasonable. However, in light of the above valuation results in the Share Valuation Report of Deloitte Tohmatsu Financial Advisory, the Company is obliged to conclude that the payment amount for the Class A shares (1,000,000 yen per share) is particularly advantageous for the Planned Allottee under the Companies Act. Therefore, the Company decided to issue Class A shares subject to approval by a special resolution at this Extraordinary General Meeting of Shareholders regarding the issuance of shares that are particularly advantageous, pursuant to Article 199, Paragraph 2 of the Companies Act.

In addition, with regard to Class C shares, the Company determined that the issuance of the Class C shares do not fall under an advantageous issuance upon comprehensively considering the above valuation results in the Share Valuation Report of Deloitte Tohmatsu Financial Advisory and acknowledging that the issuing conditions for the Class C shares was decided through discussions and negotiations with the Planned Allottee, taking into account the management environment and financial situation surrounding the Company. However, seeing as there are no objective market prices for Class C shares, the valuation of class shares is extremely sophisticated and complex, and that there may be various views regarding the valuation of class shares, the possibility that the payment amount for the Class C shares (1,000,000 yen per share) might be considered particularly advantageous for the Planned Allottee under the Companies Act cannot be totally denied. Therefore, the Company decided to issue the Class C shares subject to approval by a special resolution at this Extraordinary General Meeting of Shareholders regarding the issuance of shares that are particularly advantageous, pursuant to Article 199, Paragraph 2 of the Companies Act.

(5) Reason for the conclusion that the number of shares to be issued and the scale of share dilution are reasonable

In raising a total amount of 20,000,000,000 yen by issuing 15,000 Class A Shares and 5,000 Class C Shares, and the Company has judged that the number of Class Shares to be issued is reasonable in light of the purpose of the issuance of Class Shares and the uses of the funds, as described above.

In addition, the Class Shares will not have voting rights at the General Meeting of Shareholders, but there

is a possibility that existing shareholders may suffer a dilution effect owing to the exercise of the put option with common shares as consideration attached to the Class Shares, or the exercise of the put option with common shares as consideration attached to Class B Shares delivered upon the exercise of the put option with monies and Class B Shares as consideration attached to Class A Shares. Assuming that the put option with common shares as consideration is exercised for all Class A Shares, and provided that there are no cumulative unpaid dividends nor unpaid preferred dividends prorated on a daily basis for Class A Shares, common shares with a maximum total of 384,319 voting rights will be delivered, equal to approximately 86.0% of the total number of voting rights, 447,068, for outstanding common shares of the Company, based on the shareholder register as of March 31, 2020. Furthermore, if the put option with monies and Class B Shares as consideration attached to Class A Shares is exercised for all Class A Shares, and the put option with common shares as consideration attached to Class B Shares is exercised for all Class B Shares issued as a result, and provided that there are no cumulative unpaid dividends nor unpaid preferred dividends prorated on a daily basis for Class B Shares, common shares with a maximum total of 153,727 voting rights will be delivered, equal to approximately 34.4% of the total number of voting rights, 447,068, for outstanding common shares of the Company, based on the shareholder register as of March 31, 2020. Therefore, the maximum dilution that will occur in this case will be smaller than if the put option with common shares as consideration is exercised for all Class A Shares. In addition, assuming that the put option with common shares as consideration is exercised for all Class C Shares, common shares with a maximum total of 128,106 voting rights will be delivered, equal to approximately 28.7% of the total number of voting rights, 447,068, for outstanding common shares of the Company, based on the shareholder register as of March 31, 2020. Furthermore, the total maximum rate of dilution for the Class Shares will be approximately 114.6% (a maximum dilution of approximately 86.0% for the Class A Shares and approximately 28.7% for the Class C Shares).

Accordingly, dilution of the Company's common shares will occur if common shares of the Company are delivered as a result of the exercise of the put options attached to the Class Shares or Class B Shares, but the Company has in place measures to mitigate the potential impact of dilution on existing shareholders, including 1) the fact that the increase in shareholders' equity as a result of the Third Party Allotment Capital Increase will contribute to stabilizing the Company's financial position; 2) the fact that a quick dilution in the Company's common shares will be avoided and some time has been secured for enhancing corporate value by implementing a fundamental structural reform, as stated in the Agreement, as the Planned Allottee has agreed not to exercise the put option with common shares as consideration nor the put option with monies and Class B Shares as consideration on the Class A Shares until June 30, 2024, unless conditions for removing conversion restrictions arise, and has also agreed not to exercise the put option with common shares as consideration on the Class C Shares until June 30, 2024, unless conditions for removing conversion restrictions arise; 3) the fact that the acquisition price has been fixed for the Class A Shares, Class B Shares, and Class C Shares (provided, however, that the acquisition price will be adjusted under certain circumstances); and 4) the fact that the Class A Shares, Class B Shares, and Class C Shares are designed so as to limit any occurrence of dilution from the exercise of the put option with common shares as consideration to a certain level, because call options are attached to the Class A Shares, Class B Shares, and Class C Shares that may be exercised at any time after the issue date and has monies as consideration, and the Company may call the Class A Shares, Class B Shares, and Class C Shares at its own discretion (in particular, the Class A Shares are designed to enable the acquisition not only of all, but also of part of the Class A Shares). Based on these perspectives, the Company believes the scale of the possible dilution from the issuance of the Class Shares is reasonable.

As described above, the Planned Allottee cannot exercise the put option with common shares as consideration until June 30, 2024, unless conditions for removing the conversion restrictions arise, as set forth in the Agreement. As a result, the Company will be able to avoid a quick dilution in its common shares, and secure some time for enhancing corporate value through the implementation of the Plan. By implementing the Plan, the Company intends to accumulate internal reserves and use the call option with monies as consideration to acquire the Class Shares, thereby avoiding the materialization of any dilution from the put option with common shares as consideration as much as possible.

## 2. Details of the subscription

### (1) Class and number of shares for subscription

Class A shares	15,000 shares
Class C shares	5,000 shares

### (2) Payment amount for shares for subscription

Class A shares	1,000,000 yen per share
Class C shares	1,000,000 yen per share

### (3) Increase in capital stock and capital reserve

#### 1) Class A shares

Capital stock	7,500,000,000 yen (500,000 yen per share)
Capital reserve	7,500,000,000 yen (500,000 yen per share)

#### 2) Class C shares

Capital stock	2,500,000,000 yen (500,000 yen per share)
Capital reserve	2,500,000,000 yen (500,000 yen per share)

### (4) Total payment amount

Class A shares	15,000,000,000 yen
Class C shares	5,000,000,000 yen

### (5) Payment period

From the day after this Extraordinary General Meeting of Shareholders, August 29, 2020, until January 20, 2021

(The Company has agreed with the Planned Allottee to the effect that the Planned Allottee will make payment on either (i) September 30, 2020, or (ii) a day agreed upon by the Company and the Planned Allottee during the period from the day after this Extraordinary General Meeting of Shareholders to January 20, 2021, provided all preconditions of the Planned Allottee's payment obligations as set forth in the Agreement are satisfied or waived. The main reason for selecting this payment period is that it is difficult to accurately forecast the time required to complete procedures required under competition law overseas, but the Company and the Planned Allottee will make the best reasonable effort to ensure that these preconditions are satisfied by September 30, 2020, and the Company aims for payment to be completed by September 30, 2020.)

### (6) Method of issuance

All the Class Shares will be allotted to the Japan Industrial Solutions Fund II via third-party allotment.

### (7) Details of the Class Shares

Please refer to Proposal No. 1 "Partial Amendment of the Articles of Incorporation" for details of the Class Shares.

### Proposal No. 3: Reduction of Amounts of Capital Stock and Capital Reserve

In order to strive to promptly improve the Company's financial health in consideration of recent business performance and the current business environment, and ensure flexibility and agility in the execution of future capital policy, pursuant to Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act, the Company proposes as follows to reduce the amount of capital stock and capital reserve (the "Reduction of Capital Stock, etc.") and transfer the amount of surplus resulting from the Reduction of Capital Stock, etc. to other capital surplus which comprises the distributable amount.

The Reduction of Capital Stock, etc. shall be subject to the condition that the Third Party Allotment Capital Increase becomes effective.

1. The amount by which capital stock will be reduced

The Company will reduce the amount of capital stock after the Third Party Allotment Capital Increase (19,885,337,250 yen) by the amount of 14,885,337,250 yen to 5,000,000,000 yen.

2. The amount by which capital reserve will be reduced

The Company will reduce the amount of capital reserve after the Third Party Allotment Capital Increase (26,597,227,321 yen) by the amount of 26,582,726,269 yen to 14,501,052 yen.

3. Method of Reduction of Capital Stock, etc.

Pursuant to Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act, after conducting the Reduction of Capital Stock, etc. as stated above, the entire amount of each respective reduction will be transferred to other capital surplus.

4. Effective date of Reduction of Capital Stock, etc.

Thursday, January 21, 2021

Proposal No. 4: Election of One Director (Excluding Directors Serving as Audit and Supervisory Committee Members)

In order to reinforce the Company's management structure and internal control functions, the Company proposes the election of one Director.

The appointment of the Director subject to this proposal shall only take effect on the condition that the payment for the Third Party Allotment Capital Increase is implemented.

The candidate for Director is as follows.

Name (Date of birth)	Career summary, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
Takashi Komagata (May 6, 1976)  (New election) (External)	<p>April 1999      Joined The Sumitomo Bank, Limited  October 2000    Joined Asahi Arthur Andersen Ltd.  November 2002    Joined Nomura Securities Co., Ltd.  October 2006    Joined Morgan Stanley Japan Securities Co., Ltd.  (currently, Morgan Stanley MUFG Securities Co., Ltd.)  February 2009    Joined Marunouchi Capital Inc.  May 2011        Joined Japan Industrial Solutions Co., Ltd.  Director  January 2015     Managing Director, Japan Industrial Solutions Co., Ltd.  December 2019    Member of the Board, Japan Industrial Solutions Co., Ltd.  Co-Head of Investment Division  (current)  (Significant concurrent positions)  Member of the Board, Japan Industrial Solutions Co., Ltd.</p> <p>[Reason for selection]  Mr. Komagata has a wealth of experience and deep insight into finance and corporate management based on business experience in investment fund management firms and major financial institutions. The Company proposes his election as External Director in order to have him contribute to the realization of appropriate decision-making and management supervision by the Board of Directors of the Company from a global and diverse perspective.</p>	- shares

- Notes: 1. Mr. Takashi Komagata concurrently serves as a Member of the Board of Japan Industrial Solutions Co., Ltd., which is the general partner of Japan Industrial Solutions Fund II, with which the Company has entered into an underwriting agreement for investment in its Class Shares.
2. Mr. Takashi Komagata is a candidate for External Director.
- 1) The reason for nomination as External Director is as stated in the "Reason for selection" above.
  - 2) Mr. Takashi Komagata was not a business executor or officer in the Company or any entity that has a special relationship with the Company during the last five years. He was not a business executor in a company where the Company assumed rights and obligations during the past two years through merger, absorption-type company split, incorporation-type company split or assignment of business.
  - 3) Mr. Takashi Komagata does not anticipate receiving a large sum of money or other financial benefits from the Company or any entity that has a special relationship with the Company, and has not received them for the past two years.
  - 4) Mr. Takashi Komagata is not a spouse, a relative within the third degree, or any person similar to these persons, of the business executor or officer of the Company or any entity that has a special relationship with the Company.
  - 5) If this proposal is approved as proposed, the Company will enter into an agreement with Mr. Takashi Komagata to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, and the minimum liability amount based on the agreement is the amount stipulated in Article 425, Paragraph 1 of the Companies Act.