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(Stock Exchange Code: 8084)  
June 2, 2021

**To Shareholders with Voting Rights:**

Nobuo Shogaki  
President & CEO  
Ryoden Corporation  
3-15-15 Higashi Ikebukuro, Toshima-ku,  
Tokyo, Japan

**NOTICE OF  
THE 81ST ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

It is our pleasure to inform you of the 81st Ordinary General Meeting of Shareholders of Ryoden Corporation (the “Company”). The meeting will be held for the purposes as described below.

Instead of attending the meeting in person, you can exercise 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 the end of the business hours of the Company (5:30 p.m.) on Wednesday, June 23, 2021, Japan time.

- 1. Date and Time:** Thursday, June 24, 2021 at 10:00 a.m. Japan time
  - 2. Place:** Banquet Room Concord on the 6th floor at HOTEL BELLCLASSIC Tokyo located at 3-33-6 Minami Otsuka, Toshima-ku, Tokyo, Japan
  - 3. Meeting Agenda:**
    - Matters to be reported:**
      1. The Business Report, Consolidated Financial Statements for the Company’s 81st Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
      2. Non-consolidated Financial Statements for the Company’s 81st Fiscal Year (April 1, 2020 - March 31, 2021)
    - Matters to be resolved:**
      - Proposal 1:** Election of Seven (7) Directors of Board
      - Proposal 2:** Determination of Specific Details of Stock-Compensation-Type Stock Options for Directors.
- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.  
Should matters to be described in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, or the Consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website.
  - This Notice of Convocation and the attached documents as well as their English translation are also available on the Company’s website.

Company’s website: <https://www.ryoden.co.jp/>

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Election of Seven (7) Directors of Board

The terms of office of all the seven (7) Directors of Board of the Company will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the election of seven (7) Directors of Board.

The candidates for Directors of Board are as follows.

The contents of this proposal has been decided by the Board of Directors after consultation with the Nomination & Compensation Advisory Committee, which consists of five (5) members including two (2) Independent Outside Directors.

#### [Candidates]

No.	Name	Current positions and responsibilities at the Company	Attendance at meetings of the Board of Directors
1	<u>Reelection</u> Nobuo Shogaki	Representative Director of Board, President & CEO	100% (14 out of 14 meetings)
2	<u>Reelection</u> Shoji Kitai	Director of Board, Senior Executive Officer	100% (14 out of 14 meetings)
3	<u>Reelection</u> Osamu Tanaka	Director of Board, Senior Executive Officer	100% (14 out of 14 meetings)
4	<u>New candidate</u> Takahiro Ozawa	Senior Executive Officer	—
5	<u>Reelection</u> <u>Outside Director</u> Masamitsu Miyagishi	Director of Board	100% (14 out of 14 meetings)
6	<u>Reelection</u> <u>Outside Director</u> <u>Independent Director</u> Cindy Yoshiko Shirata	Director of Board	100% (14 out of 14 meetings)
7	<u>Reelection</u> <u>Outside Director</u> <u>Independent Director</u> Masahiro Muroi	Director of Board	100% (14 out of 14 meetings)

Candidate No. 1

## Nobuo Shogaki

Reelection



**Date of birth:** June 5, 1955

**Number of shares of the Company held:** 15,400 shares

**Number of years served as Director:** 7 years (as of the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:** 100% (14 out of 14 meetings)

### **Career summary, positions and responsibilities**

April 1979	Joined Mitsubishi Electric Corporation
October 2002	General Manager, Industrial Automation Marketing Department, Chubu Branch Office, Mitsubishi Electric Corporation
October 2005	Deputy Senior General Manager, Industrial Automation Marketing Division concurrently General Manager, Industrial Automation Machinery Department, Factory Automation Systems Group, Mitsubishi Electric Corporation
April 2007	Senior General Manager, Industrial Automation Marketing Division, Factory Automation Systems Group, Mitsubishi Electric Corporation
April 2011	Senior General Manager, Tohoku Branch Office, Mitsubishi Electric Corporation
April 2014	Deputy General Manager, Solution Business Headquarters, the Company
June 2014	Managing Director of Board, Deputy General Manager, Solution Business Headquarters, the Company
April 2016	Representative Director of Board, President & CEO (current position)

### **Reasons for nomination as a candidate for Director of Board**

Mr. Nobuo Shogaki fulfilled various key positions during his career at Mitsubishi Electric Corporation and also served as a responsible person for its branch offices. He has a wealth of experience and wide-ranging knowledge about the Company's business gained as an executive at Business Headquarters of the Company. He has been involved in management of the Company as a Director of Board and has been performing his duties appropriately. Thus, the Company judges that he is a suitable person capable of contributing to the Company's achievement of sustainable growth and enhancement of corporate value and has nominated him as a candidate for reelection as Director of Board.

Candidate No. 2

## Shoji Kitai

Reelection



**Date of birth:** October 3, 1958

**Number of shares of the Company held:** 9,900 shares

**Number of years served as Director:** 7 years (as of the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:** 100% (14 out of 14 meetings)

### **Career summary, positions and responsibilities**

April 1982	Joined the Company
June 2008	General Manager, Accounting & Finance Department, the Company
October 2010	Deputy General Manager, Kansai Branch Office concurrently Senior Manager, General Affairs Department, the Company
June 2013	General Manager, Corporate Strategic Planning, the Company
June 2014	Director of Board, General Manager, Corporate Strategic Planning, the Company
June 2017	Managing Director of the Board, General Manager, Accounting & Finance Department, the Company
June 2018	Director of Board, Senior Executive Officer, General Manager, Accounting & Finance Department, the Company
April 2021	Director of Board, Senior Executive Officer, the Company (current position)

### **Reasons for nomination as a candidate for Director of Board**

Mr. Shoji Kitai's career has been spent primarily in corporate planning and accounting & finance. He also served as a responsible person for a branch office of the Company. He has insight about finance and accounting and a wealth of experience and wide-ranging knowledge about the Company's business. He has been involved in management of the Company as a Director of Board and Senior Executive Officer, and has been performing his duties appropriately. Thus, the Company judges that he is a suitable person capable of contributing to the Company's achievement of sustainable growth and enhancement of corporate value and has nominated him as a candidate for reelection as Director of Board.

Candidate No. 3

## Osamu Tanaka

Reelection



**Date of birth:** January 17, 1959

**Number of shares of the Company held:** 4,600 shares

**Number of years served as Director:** 5 years (as of the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:** 100% (14 out of 14 meetings)

### **Career summary, positions and responsibilities**

April 1981	Joined Mitsubishi Electric Corporation
December 2007	General Manager, Purchasing Department, Communication Networks Center, Mitsubishi Electric Corporation
April 2011	General Manager, Purchasing Department, Nagoya Works, Mitsubishi Electric Corporation
April 2014	Deputy General Manager, Business Partners Strategic Administration Division, Solution Business Headquarters, the Company
June 2014	General Manager, Business Partners Strategic Administration Division, Solution Business Headquarters, the Company
April 2016	General Manager, Overseas Business Promotion Headquarters, the Company
June 2016	Director of Board, General Manager, Overseas Business Promotion Headquarters, the Company
April 2017	Director of Board, Deputy General Manager, Corporate Strategic Planning, the Company
June 2017	Managing Director of the Board, General Manager, Corporate Strategic Planning, the Company
June 2018	Director of Board, Senior Executive Officer, General Manager, Corporate Strategic Planning, the Company (current position)

### **Reasons for nomination as a candidate for Director of Board**

Mr. Osamu Tanaka fulfilled key positions during his career at Mitsubishi Electric Corporation. He has a wealth of experience and wide-ranging knowledge about the Company's business gained as a responsible person for Business Headquarters and Overseas Business Promotion Headquarters. He has been involved in management of the Company as a Director of Board and Senior Executive Officer, and has been performing his duties appropriately. Thus, the Company judges that he is a suitable person capable of contributing to the Company's achievement of sustainable growth and enhancement of corporate value and has nominated him as a candidate for reelection as Director of Board.

Candidate No. 4

## Takahiro Ozawa

New candidate



**Date of birth:** August 20, 1960

**Number of shares of the Company held:** 4,100 shares

### **Career summary, positions and responsibilities**

April 1983	Joined the Company
June 2002	Senior Manager, Semiconductor and Electronic Devices B, Tokyo Branch Office, the Company
April 2006	Senior Manager, Planning and Administration Department, Renesas And Mitsubishi Semiconductor Headquarters, the Company
June 2010	General Manager, Planning and Administration Division, Semiconductor and Electronic Devices Headquarters, the Company
April 2013	Deputy General Manager, Nagoya Branch Office concurrently Senior Manager, Semiconductor and Electronic Devices Department A, the Company
April 2017	General Manager, Nagoya Branch Office, the Company
June 2018	Executive Officer, General Manager, Nagoya Branch Office, the Company
June 2020	Senior Executive Officer, General Manager, Nagoya Branch Office, the Company
April 2021	Senior Executive Officer, General Manager, DX Strategy Promotion Department, the Company (current position)

### **Reasons for nomination as a candidate for Director of Board**

Mr. Takahiro Ozawa has fulfilled various key positions at Business Headquarters. He has a wealth of experience and wide-ranging knowledge about the Company's business. The Company judges that he is a suitable person to be involved in management of the Company as a Director of Board and capable of contributing to the Company's achievement of sustainable growth and enhancement of corporate value and has nominated him as a candidate for Director of Board.

Candidate No. 5

## Masamitsu Miyagishi

Reelection

Outside Director



**Date of birth:** November 19, 1964

**Number of shares of the Company held:** - shares

**Number of years served as Director:** 3 years (as of the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:** 100% (14 out of 14 meetings)

### **Career summary, positions and responsibilities**

April 1987      Joined Mitsubishi Electric Corporation

April 2014      General Manager, General Affairs Department, Kanagawa Branch Office, Mitsubishi Electric Corporation

April 2017      General Manager, Accounting & Finance Department, Kansai Branch Office, Mitsubishi Electric Corporation

June 2017      Outside Auditor, MANSEI CORPORATION

April 2018      General Manager, Market Planning & Administration Department, Corporate Marketing Group, Mitsubishi Electric Corporation (current position)

June 2018      Outside Director, the Company (current position)

### **Significant concurrent positions**

General Manager, Market Planning & Administration Department, Corporate Marketing Group, Mitsubishi Electric Corporation

### **Reasons for nomination as a candidate for Outside Director of Board and expected roles**

Mr. Masamitsu Miyagishi serves as the General Manager of Market Planning & Administration Department, Corporate Marketing Group, Mitsubishi Electric Corporation, and is well versed in the industry related to the Company. As he has appropriately provided advice and suggestions based on his wealth of experience and wide-ranging knowledge, the Company has nominated him as a candidate for reelection as Outside Director. If he is reelected, the Company will expect him to oversee the Company's management and provide effective advice on the Company's overall management as Outside Director. Mr. Miyagishi will have served as Outside Director for three years at the conclusion of this year's Ordinary General Meeting of Shareholders.

Candidate No. 6

## Cindy Yoshiko Shirata

Reelection  
Outside Director  
Independent Director



**Date of birth:** December 2, 1952

**Number of shares of the Company held:** - shares

**Number of years served as Director:** 5 years (as of the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:** 100% (14 out of 14 meetings)

### Career summary, positions and responsibilities

April 1996	Associate Professor, Tsukuba College of Technology
April 2001	Associate Professor, Nihon University College of Economics
April 2002	Professor, Nihon University College of Economics
April 2005	Professor, Graduate School of Engineering Management, Shibaura Institute of Technology
April 2007	Professor, Graduate School of Business Sciences, University of Tsukuba
October 2008	Member, Science Council of Japan Chairman, Management Committee, Section I
February 2010	Visiting Professor, University of Munich, Germany
January 2012	Visiting Professor, University of Sheffield Management School, UK
June 2012	Member of the Legislative Council of the Ministry of Justice (current position)
April 2015	Visiting Scholar, The Research Institute for Innovation Management, University of Hosei
May 2016	Chairperson, Land Valuation Council, Tokyo Regional Taxation Bureau (current position)
June 2016	Outside Director, the Company (current position)
April 2017	Visiting Professor, Tsukuba gakuin University
April 2019	Outside Corporate Auditor, FamilyMart Co., Ltd.
October 2019	Auditor, Obihiro University of Agriculture and Veterinary Medicine (current position)
April 2020	Honorary Professor, School of Business and Commerce, Tokyo International University (current position)
February 2021	Adviser, FamilyMart Co., Ltd. (current position)

### Significant concurrent positions

Outside Director, Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development

### Reasons for nomination as a candidate for Outside Director and expected roles

Ms. Cindy Yoshiko Shirata has specialized knowledge about financial accounting and management gained through her research at universities. As she has appropriately provided advice and suggestions based on her wealth of experience and wide-ranging knowledge as an accounting specialist, the Company has nominated her as a candidate for reelection as Outside Director. If she is reelected, the Company will expect her to oversee the Company's management and provide effective advice on the Company's overall management as Outside Director. Ms. Shirata will have served as Outside Director for five years at the conclusion of this year's Ordinary General Meeting of Shareholders.



Candidate No. 7

## Masahiro Muroi

Reelection  
Outside Director  
Independent Director



**Date of birth:** July 13, 1955

**Number of shares of the Company held:** - shares

**Number of years served as Director:** 5 years (as of the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:** 100% (14 out of 14 meetings)

### Career summary, positions and responsibilities

April 1978	Joined Formerly Nomura Computer Center (Nomura Research Institute, Ltd.)
June 2000	Member of the Board, Division Manager of Business Administration Division of Knowledge Solution Sector, Division Manager of EC Knowledge Solution Business Division, Nomura Research Institute, Ltd.
April 2002	Member of the Board, Senior Corporate Managing Director, Sector COO of e-Solution Sector, Nomura Research Institute, Ltd.
April 2007	Member of the Board, Senior Executive Managing Director in charge of Corporate Planning, Corporate Communications and Information System Planning & Control, Division Manager of Center for Knowledge Exchange & Creation, Nomura Research Institute, Ltd.
April 2009	Representative Director, Member of the Board, Senior Executive Managing Director in charge of Supervising of Corporate Administration, Internal Control, Corporate Planning, Corporate Communications and Information System Planning & Control, Nomura Research Institute, Ltd.
April 2013	Senior Executive Vice President, Representative Director, Member of the Board in charge of Supervising of Corporate Administration, Quality Management & Systems Development Innovation and Risk Management, Nomura Research Institute, Ltd.
April 2015	Vice Chairman, Member of the Board, Nomura Research Institute, Ltd.
June 2016	Outside Director, the Company (current position)
April 2017	Member of the Board, Nomura Research Institute, Ltd.

### Significant concurrent positions

Outside Director, MARUI GROUP CO., LTD.  
Auditor, The Norinchukin Bank

### Reasons for nomination as a candidate for Outside Director and expected roles

Mr. Masahiro Muroi has been serving as a Member of the Board of Nomura Research Institute, Ltd. As he has appropriately provided advice and suggestions based on his wealth of experience and wide-ranging knowledge as a corporate manager, the Company has nominated him as a candidate for reelection as Outside Director. If he is reelected, the Company will expect him to oversee the Company's management and provide effective advice on the Company's overall management as Outside Director. Mr. Muroi will have served as Outside Director for five years at the conclusion of this year's Ordinary General Meeting of Shareholders.

#### Notes:

1. There are no special interests between each candidate for Director of Board and the Company.
2. Mr. Masamitsu Miyagishi, a candidate for Outside Director, is currently an employee of Mitsubishi Electric Corporation, which is a special related party.
3. Mr. Masamitsu Miyagishi, a candidate for Outside Director, received remuneration from Mitsubishi Electric Corporation, which is a special related party, in the past two years and will continue to do so.
4. The Company has appointed Ms. Cindy Yoshiko Shirata and Mr. Masahiro Muroi Independent Directors stipulated by Tokyo Stock Exchange, Inc. and notified the appointment to the said Exchange. If their reelection is approved, the Company intends to continue their appointment as Independent Directors.
5. The Company has entered into agreements with Ms. Cindy Yoshiko Shirata and Mr. Masahiro Muroi that limit their liability for damages as set forth in Article 423, Paragraph 1 of the Companies Act. The limit of the liability for damages under such agreement is the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act. If they are reelected, the Company intends to renew the above agreement with them to limit their liability for damages.
6. The Company has entered into a directors and officers liability insurance (D&O insurance) contract to insure its Directors

(including Outside Directors). The contract will cover damages that may arise due to insured Directors assuming liability for their execution of duties or receiving a claim for the pursuit of such liability. However, there are certain exemptions, such as no compensation for damages that an insured person has caused intentionally or with gross negligence. If the election of the candidates for Directors is approved, the Company intends to enter into the same D&O insurance contract to insure each of them.

**(Reference)**

The Company nominates Independent Outside Directors/Outside Corporate Auditors in accordance with the “Independence Standards for Outside Directors/Outside Corporate Auditors,” which reflect the independence standards stipulated by Tokyo Stock Exchange, Inc.

[Independence Standards for Outside Directors/Outside Corporate Auditors of the Company]

An Outside Director or an Outside Corporate Auditor (hereinafter collectively referred to as “Outside Officer”) is considered independent if none of the following applies.

- (1) A person who executes business (hereinafter “business executor”) of the Company or subsidiaries of the Company (hereinafter referred to as the “Group”) or a person who was a business executor of the Group in the past 10 years
- (2) A person for whom the Group is a major business partner or a business executor thereof
- (3) A major business partner of the Group or a business executor thereof
- (4) The Accounting Auditor of the Group or a person affiliated therewith
- (5) A consultant, accounting professional, or legal professional who has received a large amount of monetary consideration or other property from the Group besides compensation as a Director of Board or a Corporate Auditor (If the person who has received such is an organization, such as a corporation or an association, a person who is affiliated with such organization)
- (6) A person who has received a large amount of monetary consideration or other property from the Group as donations (or if the person receiving such donations is an organization, such as a corporation or an association, a person who is affiliated with such organization)
- (7) A major lender to the Group or a business executor thereof
- (8) A major shareholder of the Company or a business executor thereof
- (9) A business executor of a company of which the Group is a major shareholder
- (10) A person to whom any of the items (2) through (9) above applied during the past three years
- (11) The spouse or a second-degree or closer relative of a person to whom any of the items (1) through (9) above applies (important business executor only)
- (12) A business executor of an entity with which the Company has a relationship of interlocking Outside Officers

\*1 “Business executor” means a business executor stipulated in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act.

\*2 “Person for whom the Group is a major business partner” means a group (group consisting of a direct business partner, its parent, its subsidiaries, and subsidiaries of the parent; the same applies hereinafter) that provides products and services to the Group and whose amount of transactions with the Ryoden Group exceeded 2% of that group’s consolidated annual net sales in the most recent fiscal year.

\*3 “Major business partner of the Group” means a group to whom the Group provides products and services and the amount of transactions with whom exceeded 2% of the Group’s consolidated annual net sales in the most recent fiscal year.

\*4 “A large amount of monetary consideration or other property” means monetary consideration or other property whose total amount exceeded 10 million yen in the most recent fiscal year and that exceeded 2% of the total revenue of the recipient in the most recent fiscal year.

\*5 “Major lender” means a lender whose name is listed under major lenders in the business report related to the most recent fiscal year.

\*6 “Major shareholder” means a shareholder that holds 10% or more of the voting rights (including indirect holding) at the end of the most recent fiscal year.

\*7 “Important business executor” means a Director of Board or an employee whose position is a general manager or higher.

\*8 “Relationship of interlocking Outside Officers” means a relationship where the Group’s business executor serves as an Outside Officer of another company and that company’s business executor serves as an Outside Officer of the Company.

## **Proposal 2: Determination of Specific Details of Stock-Compensation-Type Stock Options for Directors**

Regarding the amount of compensation as stock-compensation-type stock options for Directors (excluding Outside Directors) and its details, the Company gained approval to grant subscription rights to shares as stock-compensation-type stock options at the 73rd Ordinary General Meeting of Shareholders held on June 27, 2013. In addition, at the 78th Ordinary General Meeting of Shareholders held on June 28, 2018, the Company partially revised the conditions for exercise of share subscription rights.

In accordance with the recent amendment to the Companies Act, the Company proposes to grant share subscription rights to Directors (excluding Outside Directors) in the same manner as before, with the addition of new details (underlined parts) to the share subscription rights approved as compensation, as follows.

The Company currently has four (4) Directors (excluding Outside Directors), and if Proposal 1 is approved as proposed, the number of Directors will continue to be four (4) at the conclusion of this General Meeting of Shareholders.

The granting and timing of stock option compensation to each Director shall be left to the discretion of the Board of Directors.

As approved at the 73rd Ordinary General Meeting of Shareholders, the maximum annual amount of compensation as stock options is 100 million yen a year for Directors (excluding Outside Directors), and the amount of compensation is obtained by multiplying the fair value per share subscription right calculated on the date of granting by the number of share subscription rights to be granted.

The purpose of this proposal is to further clarify the link between the Company's performance and share value and to enhance value sharing with shareholders. At the Board of Directors' meeting held on February 24, 2021, the Company established a policy for determining the content of individual Directors' compensation, etc. The Company believes that this policy is appropriate in light of the fact that it was established after consultation with the Nomination & Compensation Advisory Committee, of which the majority are Outside Directors. In addition, the compensation system approved at the 73rd Ordinary General Meeting of Shareholders is in line with this policy, and we do not plan to revise the policy even if this proposal is approved. Furthermore, the number of shares to be issued upon the exercise of all share subscription rights granted in a number equivalent to the annual maximum number of such rights is insignificant in relation to the total number of shares issued.

In light of the above, we believe that the content of this proposal is appropriate.

### **1. Type and number of shares to be issued upon exercise of share subscription rights**

The type of shares to be issued upon exercise of share subscription rights is to be common stock of the Company, and the number of shares to be issued upon exercise of each share subscription right (hereafter referred to as the "Number of Granted Shares") is to be 500 shares per share subscription right. If the Company conducts a stock split (including gratis allotment of shares of the Company's common stock; hereafter the same applies to the description of a stock split) or a reverse stock split of the Company's common stock after the date of resolution of this proposal (hereinafter the "Resolution Date"), the Number of Granted Shares is to be adjusted according to the following formula:

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split and reverse stock split

Fractions of less than one share resulting from the above adjustment are to be rounded down.

In addition to the above, in the event that the Company conducts a merger, corporate split, or share exchange after the Resolution Date and needs to adjust the Number of Granted Shares in accordance with such event, the Company may adjust the Number of Granted Shares as deemed necessary by the Board of Directors.

The maximum number of shares to be delivered upon exercise of share subscription rights to be issued within one year from the date of the Ordinary General Meeting of Shareholders of the Company for each fiscal year is to be 150,000 shares of common stock of the Company, and if the Number of Granted Shares is adjusted, the maximum number is to be the Number of Granted Shares after adjustment multiplied by the total number of share subscription rights below.

### **2. Total number of share subscription rights**

The maximum number of share subscription rights to be issued within one year from the date of the Ordinary General Meeting of Shareholders of the Company for each fiscal year is to be 300 units.

### **3. Amount to be paid for share subscription rights (issue price)**

The amount to be paid in per share subscription right (issue price) is to be an amount determined by

the Company's Board of Directors based on the fair value of the share subscription rights calculated at the time of the allotment of such rights.

In addition, in lieu of payment in cash, the compensation claims held by the person who received the allotment against the Company are to be offset against the payment obligations for share subscription rights.

4. Amount of assets to be contributed upon exercise of share subscription rights  
The amount of property to be contributed upon the exercise of each share subscription right is to be the amount obtained by multiplying the exercise price per share to be delivered upon the exercise of each share subscription right, which is to be one (1) yen, by the number of shares to be granted.
5. Period during which the share subscription rights may be exercised  
The period is to be determined by the Company's Board of Directors within a range of 20 years from the day following the day on which the share subscription rights are allotted.
6. Restriction on acquisition of share subscription rights by transfer  
Acquisition of share subscription rights by transfer is to require the approval of the Company's Board of Directors.
7. Conditions for the exercise of share subscription rights
  - (i) A person who holds share subscription rights to shares may exercise such rights within ten (10) days from the date following the date on which he/she loses both the position of Director and the position of Executive Officer of the Company.
  - (ii) Notwithstanding (i) above, in the event that a proposal for approval of a merger agreement in which the Company becomes an absorbed company, a proposal for approval of a split agreement or a split plan in which the Company becomes a split company, or a proposal for approval of a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary is approved at a general meeting of shareholders of the Company (if a resolution of a general meeting of shareholders is not required, a resolution of the Company's Board of Directors is adopted), share subscription rights may be exercised within thirty (30) days from the date following the date of such approval (or the next business day if the 30th day falls on a holiday). However, this excludes cases where share subscription rights of stock companies listed in Article 236, Paragraph 1, Items 8 (a) through (e) of the Companies Act are delivered to the persons who hold share subscription rights as a result of the organizational restructuring described above.
  - (iii) Other conditions shall be determined by the Company's Board of Directors, which determines subscription requirements, etc. for subscription rights to shares.
8. Acquisition clause of share subscription rights  
The Company may acquire the share subscription rights without payment on a date separately determined by the Company's Board of Directors if the proposals in (a), (b), (c), (d) or (e) below are approved at a general meeting of shareholders of the Company (if a resolution of the general meeting of shareholders is not required, a resolution of the Company's Board of Directors is adopted).
  - (a) Proposal for approval of a merger agreement in which the Company will be the absorbed company
  - (b) Proposal for approval of the split agreement or split plan in which the Company will become a split company
  - (c) Proposal for approval of a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary
  - (d) Proposal for approval of an amendment to the Articles of Incorporation to establish a provision requiring the Company's approval for the acquisition of all shares issued by the Company by transfer.
  - (e) A proposal for approval of an amendment to the Articles of Incorporation to provide that the acquisition of shares of a class subject to share subscription rights by transfer requires the approval of the Company, or that the Company may acquire all of the shares of a class subject to share subscription rights by a resolution of a general meeting of shareholders.
9. Other details of the share subscription rights, etc.  
Other details are to be determined by the Company's Board of Directors, which determines subscription requirements, etc. for subscription rights to shares.

(Reference)

In addition to the granting of subscription rights to shares as stock options to the Company's Directors (excluding Outside Directors), the Company intends to grant similar subscription rights to shares to the Company's Executive Officers (excluding Executive Officers who concurrently serve as the Company's Directors) by a resolution of the Company's Board of Directors after the conclusion of this year's Ordinary General Meeting of Shareholders.