Securities Code: 4259
June 9, 2023

To our shareholders:

Makoto Haruta
Representative Director & President
ExaWizards Inc.
21F, Shiodome Sumitomo Bldg.,
Higashi Shimbashi 1-9-2, Minato-ku, Tokyo

Notice of the 8th Annual Shareholders Meeting

We are pleased to announce the 8th Annual Shareholders Meeting of ExaWizards Inc. (the “Company”), which will be held as indicated below.
Notice is hereby given that the 8th Annual Shareholders Meeting of the Company will be held as described below.
In convening this Annual Shareholders Meeting, the information contained in the Reference Documents for the Annual Shareholders Meeting, etc. (matters to be provided electronically) will be provided electronically and posted on each of the following websites. The information is posted as the "Notice of the 8th Annual Shareholders Meeting" on the following websites.

＜The Company's website＞
https://exawizards.com/en/ir/stock/meeting

If you are unable to attend the meeting, please exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the Annual Shareholders Meeting below and indicate your votes for or against the proposal through our designated website for the exercise of voting rights (https://evote.tr.mufg.jp/)by 6:00 p.m. on Tuesday, June 27, 2023 (JST) in accordance with the instructions below.
The Company also plans to live-stream the Annual Shareholders Meeting and accept questions in advance of the meeting. For details, please refer to the "Information on Live Streaming of the Annual Shareholders Meeting and Advance Questions" below.

1. Date and Time Wednesday, June 28, 2023, at 10:00 a.m. (JST)
(The reception desk is scheduled to open at 9:30 a.m.)

2. Venue 1-12-9 Shimbashi, Minato-ku, Tokyo, A-PLACE Shimbashi Ekimae 4F RoomD

3. Purpose of the Meeting
Matters to be reported:
(1) The Business Report and the Consolidated Financial Statements for the 8th fiscal year (from April 1, 2022, to March 31, 2023), and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board
(2) The Non-consolidated Financial Statements for the 8th fiscal year (from April 1, 2022, to March 31, 2023)

Matters to be resolved:
Proposal No. 1 Election of Six (6) Directors
Proposal No. 2 Revision of Remuneration for Directors (excluding those who are Outside Directors)

◎This notice is summary of the notice of annual shareholders meeting and the Reference Documents for Shareholders Meeting for reference purpose only. All original contents are posted on our website (https://exawizards.com/ir/stock/meeting) in Japanese only. In the event any discrepancy arises between this notice and the original notice, the original shall prevail.

◎If any revisions are made to the Reference Documents for Shareholders Meeting and the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements, the revised contents will be presented on the above websites.

Information on Live Streaming of the Annual Shareholders Meeting and Advance Questions

This Annual Shareholders Meeting can be viewed live streaming on the website designated by the Company.
In addition, questions may be submitted in advance of the meeting via the Internet.
The URL for the live streaming and a form for submitting advance questions will be posted on the Company's website (https://exawizards.com/en/ir/stock/meeting) prior to the date of the meeting.
Please note that the live streaming is for viewing of the proceedings only, and you will not be able to ask questions or exercise your voting rights. If you wish to watch the live webcast, please exercise your voting rights in writing (by mail) or via the Internet in advance.

<How to use the live webcast>
(1) Access https://exawizards.com/en/ir/stock/meeting
(2) Click "8th Annual Shareholders Meeting Live Streaming" and watch the streaming. (In Japanese only)

<How to use the Internet-based advance questions and answer service>
(1) Access https://exawizards.com/en/ir/stock/meeting
(2) Click on "Click here to submit advance questions via the Internet" to open the inquiry form.
(3) Fill in the required information and select the type of inquiry from "Contact Type".
(4) Enter the details of your advance questions in the " Your Message " field.
(5) Review our Privacy Policy from "Click here for Privacy Policy" and if you agree with the Policy, check the "I have read and agree to the Privacy Policy" checkbox.
(6) Click the "Submit" button.

Reference Documents for Annual Shareholders Meeting

Proposal No. 1 Election of Six (6) Directors

The terms of office of all Seven (7) Directors will expire at the conclusion of this Annual Shareholders Meeting. Therefore, one position is reduced due to a review of the management structure, the Company proposes the election of Six (6) Directors.
The candidates for Directors are as follows.

No.	Name		Position and Responsibilities at the Company	Attendance at Board of Directors Meetings	Tenure as Director
1	Re-nomination	**Makoto Haruta** (Male)	Director & President (Representative Director)	100% (13/13)	7 years and 5 months
2	Re-nomination	**Takuma Oue** (Male)	Director (Executive Officer, Business Management)	100% (13/13)	3 years
3	Re-nomination	**Yutaka Sakane** (Male)	Director (Technology Management)	100% (13/13)	5 years and 10 months
4	Re-nomination Outside Independent	**Yasushi Shingai** (Male)	Outside Director	100% (13/13)	5 years
5	Re-nomination Outside Independent	**Toshihiko Hiura** (Male)	Outside Director	100% (13/13)	4 years
6	Re-nomination Outside Independent	**Naoko Munakata** (Female)	Outside Director	100% (13/13)	1 year and 10 months

(Notes)
1. Current Positions and responsibilities in the Company are as of the date of this Annual Shareholders Meeting.
2. The number of Board of Directors Meetings attended excludes meetings of the Board of Directors held by resolution in writing.
3. The term of office of Directors indicates the term of office at the conclusion of this Annual Shareholders Meeting.

Candidate No.1	■Career summary, position in the Company, and other material positions held:
Makoto Haruta Male Date of birth: January 5, 1969 Re-nomination Attendance at Board of Directors Meetings: 100% (13/13) Term of office: 7 years and 5 months Number of the Company's shares owned: 7,412,000	Apr. 1992: Joined Sumitomo Bank Co., Ltd. (current Sumitomo Mitsui Banking Corporation) Feb. 2000: Joined DeNA Co., Ltd. Jun. 2011: Director, DeNA Co., Ltd. Apr. 2015: Representative Director, Betacatalyst, Inc.(current) Feb. 2016: Representative Director, ExaIntelligence, Inc. (current ExaWizards Inc.) Mar. 2018: Representative Director, BeeEdge Co., Ltd. (current) Nov. 2018: Director & Chairman, ExaWizards Inc. (current) Jun. 2020: Outside Director, Tokyo Broadcasting System Holdings, Inc. (current TBS Holdings, Inc.) (current) Apr. 2022: Outside Director, Panasonic Corporation (current) Apr. 2023: Representative Director, ExaWizards Inc. (current)
	■Reasons for nomination as candidate for Director: Mr. Haruta has abundant experience and a high level of insight as a financial strategist and manager in a wide variety of business companies, and as the founder of the Company, he has played a sufficient role in making decisions on important management matters and supervising the execution of business operations. Based on this experience and insight, we have determined that he can be expected to play an appropriate role in the further expansion of the Company's business and overall management and have therefore nominated him as a candidate for Director.

Candidate No.2	■Career summary, position in the Company, and other material positions held:
Takuma Oue Male Date of birth: December 5, 1988 Re-nomination Attendance at Board of Directors Meetings: 100% (13/13) Terms of office: 3 years Number of the Company's shares owned: -	Apr. 2013: Joined Boston Consulting Group Jan. 2018: Joined ExaWizards Inc. Apr. 2019: Executive Officer, ExaWizards Inc. Jun. 2020: Director and Executive Officer, ExaWizards Inc. Business Management(current)
	■Reasons for nomination as candidate for Director: Mr. Oue has led the Company's business expansion by taking charge of several hundred cases of AI implementation and DX realization annually, based on his abundant experience and high-level insight in the digital/AI area and DX-related strategies from planning to implementation. Based on such experience and insight, we have determined that he can be expected to play an appropriate role in the further expansion of the Company's business and overall management and have therefore nominated him as a candidate for Director.

Candidate No.3	■Career summary, position in the Company, and other material positions held:
Yutaka Sakane Male Date of birth: May 28, 1974 Re-nomination Attendance at Board of Directors Meetings: 100% (13/13) Terms of office: 5 years and 10 months Number of the Company's shares owned: 3,776,000	Jan. 2002: Research Assistant, Faculty of Informatics of Shizuoka University. Oct. 2004: Founded Digital Sensation Inc. and President and Representative Director. Sep. 2017: Director, ExaWizards Inc. Technology Management (current) ■Reasons for nomination as candidate for Director: Based on his extensive experience and deep insight in software engineering, Mr. Sakane has led the Company's technology division as the person in charge of the technology field and has contributed to the formulation and implementation of company-wide intellectual property strategies, including the discovery, and filing of patented inventions and their utilization. Based on such experience and insight, we have determined that he can be expected to play an appropriate role in the further expansion of the Company's business and overall management and have therefore nominated him as a candidate for Director.

Candidate No.4	■Career summary, position in the Company, and other material positions held:
Yasushi Shingai Male Date of birth: January 11, 1956 Re-nomination Outside Independent Attendance at Board of Directors Meetings: 100% (13/13) Terms of office: 5 years Number of the Company's shares owned: 240,000	Apr. 1980: Joined The Japan Tobacco and Salt Public Corporation (current Japan Tobacco Inc.) Jun. 2005: Member of the Board, Senior Vice President, and Chief Financial Officer of Japan Tobacco Inc. Jun. 2006: Executive Vice President, JT International S.A. Jun. 2011: Representative Director and Executive Vice President of Japan Tobacco Inc. Jun. 2014: Outside Director, Recruit Holdings Co., Ltd. Jan. 2018: Member of the Board of Japan Tobacco Inc. Mar. 2018: Outside Director, Asahi Group Holdings, Ltd. Jun. 2018: Outside Director, ExaWizards Inc. (current) Outside Director, Mitsubishi UFJ Financial Group, Inc. (current) Jun. 2019: Outside Director, Dai-ichi Life Holdings, Inc. (current) Jun. 2021: Outside Director, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (incumbent) Jun. 2022: Outside Director, Olympus Corporation (current) ■Reasons for nomination as candidate for Director: Mr. Shingai has extensive management experience as a manager in a global company, as well as experience as an outside director in several business companies, and advanced and professional insight into corporate finance and M&A. Based on this experience and insight, we believe that he will contribute to improving the effectiveness of the Board of Directors through supervision, monitoring, and advice, and have therefore nominated him as a candidate for Outside Director.

Candidate No.5	■Career summary, position in the Company, and other material positions held:
Toshihiko Hiura Male Date of birth: October 1, 1959 Re-nomination Outside Independent Attendance at Board of Directors Meetings: 100% (13/13) Terms of offfice: 4 years Number of the Company's shares owned: 11,000	Apr. 1983: Joined The Industrial Bank of Japan, Limited (current Mizuho Bank, Ltd.) Feb. 1986: Joined Bain & Company Japan, Inc. Jun. 1991: Received an MBA from Harvard Business School Jan. 1997: Partner, Bain & Company Japan, Inc. Jan. 2008: Representative Partner, Bain & Company Japan, Inc. Apr. 2014: Chairman of Bain & Company Japan, Inc. Jul. 2017: Advisory Partner, Bain & Company Japan, Inc. Outside Director, ARUHI Corporation (current) Jun. 2019: Outside Director, ExaWizards Inc. (current)
	■Reasons for nomination as candidate for Director: Mr. Hiura has extensive experience as a management consultant in a wide range of fields in Japan, Europe, and the United States, as well as broad insight into strategic planning and M&A. Based on this experience and insight, we believe that he will contribute to improving the effectiveness of the Board of Directors through supervision, monitoring, and advice, and have therefore nominated him as a candidate for Outside Director.

Candidate No.6	■Career summary, position in the Company, and other material positions held:
Naoko Munakata Female Date of birth: February 12, 1962 Re-nomination Outside Independent Attendance at Board of Directors Meetings: 100% (13/13) Terms of office: 1 year and 10 months Number of the Company's shares owned: -	Apr. 1984: Entered Ministry of International Trade and Industry (current Ministry of Economy, Trade and Industry) Jun. 1990: Received an MBA from Harvard Business School Sep. 2011: Director General, Multilateral Trade System Department, Trade Policy Bureau Jun. 2013: Director General, Trade Policy Bureau, and Councilor of Cabinet Secretariat Jul. 2014: Director General, Trade and Economic Cooperation Bureau Jul. 2015: Executive Secretary to the Prime Minister Jul. 2017: Commissioner of Japan Patent Office Nov. 2019: Advisor, The Dai-ichi Life Research Institute INC. Jun. 2020: Outside Director and Audit and Supervisory Committee Member, Murata Manufacturing Co., Ltd. (current) Apr. 2021: Professor of the University of Tokyo Graduate School of Public Policy (current) Sep.2021: Outside Director, ExaWizards Inc. (current)
	■Reasons for nomination as candidate for Director: Ms. Munakata has extensive experience in the fields of economics, trade, intellectual property, and other areas of public administration, as well as broad insight as a public policy expert. Based on this experience and insight, we believe that she will contribute to improving the effectiveness of the Board of Directors through supervision, monitoring, and advice, and have therefore nominated her as a candidate for Outside Director. Although she has not been involved in corporate management in any way other than being an outside director in the past, for the reasons stated above, we believe that she will be able to appropriately perform her duties as an outside director of the Company.

(Notes)

1. *There is no special interest between each Director candidate and the Company.*
2. *Mr. Yasushi Shingai, Mr. Toshihiko Hiura, and Ms. Naoko Munakata are candidates for Outside Director.*
3. *The Company has registered Mr. Yasushi Shingai, Mr. Toshihiko Hiura and Ms. Naoko Munakata as independent directors as stipulated by the Tokyo Stock Exchange. If the reappointment of each of them is approved in this proposal, they will continue to be independent directors.*
4. *The Company has entered a limited liability contract with each of Mr. Yasushi Shingai, Mr. Toshihiko Hiura, and Ms. Naoko Munakata, who are Outside Directors, pursuant to Article 427, Paragraph 1 of the Companies Act. If the reappointment of each of them is approved in this proposal, the Company plans to continue such agreements with them. The maximum amount of liability for damages under the liability limitation agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that the Company has performed its duties in good faith and without gross negligence.*
5. *The Company has concluded a Directors and Officers Company Auditors Liability Insurance Contract with an insurance company, insuring directors, Company Auditors, and others as outlined below. If the reappointment of each of them is approved in this Proposal, each of them will be insured.*

   ＜Summary of the Directors and Officers Liability Insurance Contract＞

   The policy provides indemnity for damages and litigation costs incurred by the insured due to claims for damages arising out of acts (including omissions) committed by the insured during his or her duties as a director or officer of the company. However, the policy does not cover damages caused by criminal acts such as bribery, or damages incurred by officers who intentionally commit illegal acts, so that the appropriateness of the execution of duties by officers is not compromised.

   ＜Insurance Premiums＞

   All insurance premiums are borne by the Company.
6. *Mr. Yasushi Shingai will retire as Outside Director of Mitsubishi UFJ Financial Group, Inc. in June 2023.*
7. *Mr. Toshihiko Hiura will retire as Outside Director of ARUHI Corporation in June 2023.*
8. *Ms. Naoko Munakata's name in the family register is Naoko Doi.*

(Reference)

Nomination Policy for Director Candidates:

Candidates for Directors shall be nominated based on the following policy, according to their responsibilities and with high ethical standards (integrity) as a corporate citizen.

(1) Directors (Executive Directors)

Directors (Executive Directors) are expected to be innovation-oriented and have a strong commitment to the field, build and act on strategies from a company-wide perspective with an ownership mindset, and lead the organization by embodying the Company's Credo, thereby steadily achieving the results required in their areas of responsibility.

(2) Nomination Policy for Outside Directors

It is the Company's policy to nominate candidates of Outside Director who can be expected to contribute to ensuring the effectiveness of the Board of Directors and, in turn, to enhancing corporate value through supervision, monitoring, and advice necessary for the Company's medium- to long-term growth strategy and the improvement and strengthening of its business execution and internal control systems from an independent and objective perspective.

Company Auditors

(Reference)

Independence Criteria for Independent Directors and Independent Company Auditors:

In addition to the criteria for independence set forth by the Tokyo Stock Exchange, the Company's independent directors and auditors are those who do not fall into any of the following categories. In addition, (i) through (v) must not fall under any of the following at the present time or during the past three (3) years.

(i) A major shareholder of the Company (holding 10% or more of the voting rights) or its business executor

(ii) A business executor of a business partner of the Company's group (the amount paid or received in a transaction account for 2% or more of each other's consolidated net sales)

(iii) A business executor of a borrower of the Company's group (the amount of borrowing is 2% or more of the Company's consolidated total assets)

(iv) A person who receives annual monetary or other financial benefits of 10 million yen or more from our group as a lawyer, certified public accountant, consultant, or other professional service provider (if the service provider is a corporation, partnership, or other organization, a person who belongs to such organization), in addition to the remuneration of our group's directors and Company Auditors.

(v) Representative or employees of the Group's accounting auditor

(vi) A person who has been in office for more than 8 years.

(Reference)
Skill Matrix
The following table shows the composition of the Board of Directors and Board of Company Auditors and the expertise of each Director and Company Auditor if Proposal No. 1 is approved as proposed. The following table shows the skills that the Board of Directors expects each Director and Statutory Auditor to demonstrate out of the knowledge and experience they possess.

Name	Specialized Fields of Expertise	Key Skills								
		Technology	Internal Controls / Corporate governance	Corporate management	Business development	/Marketing / Sales	Internationality / Global Strategy	Engineering / Information security	Finance/Accounting	Legal affairs/ Compliance
Directors										
Makoto Haruta	IT, Entertainment, Finance	◎	◎	◎	◎				◎	◎
Takuma Oue	DX, AI strategy	◎			◎	◎		◎		
Yutaka Sakane	Engineering, AI development, Nursing care	◎		◎	◎			◎		
Yasushi Shingai	Global management, Corporate governance	◎	◎	◎	◎		◎		◎	◎
Toshihiko Hiura	Management and organizational strategy	◎	◎	◎		◎	◎			
Naoko Munakata	Government Relations, Intellectual Property	◎	◎				◎			
Company Auditors										
Kenichi Kato	Audit, Internal Control		◎							◎
Masaru Iida	Corporate legal affairs, Finance		◎						◎	◎
Manabu Sato	Financial Accounting, Finance		◎						◎	

(1) Areas of expertise requiring special mention
We believe that to solve social issues, which is our mission, it is necessary to accumulate and utilize knowledge in a variety of fields, and the fields in which each board member has outstanding knowledge are listed as Specialized Fields of Expertise.

(2) Key Skills
In light of the management environment, business strategies, and issues to be addressed as described on page 25 and 26 in the original notice posted on our website (https://exawizards.com/ir/stock/meeting) in Japanese only, skills that should be covered by more than one director are listed as Key Skills. All directors are expected to have knowledge of technology and to apply their knowledge to the management of the Company from the perspective of being responsible for the Company's business strategy and its execution, whose mission is to solve such issues by utilizing advanced AI technology and business application capabilities. All of the Outside Directors and Company Auditors are expected to have knowledge of internal control and governance and to exercise their supervisory function over the management of the Company.

Proposal No. 2 Revision of Remuneration for Directors (excluding those who are Outside Directors)

1. Summary

The amount of remuneration, etc. for Directors of the Company was approved as an annual amount up to 100 million yen at the 2nd Annual Shareholders Meeting held on June 29, 2017, and has been approved to this day; however, in addition to such remuneration limit, the Company has introduced a performance-linked remuneration system for Directors (excluding those who are Outside Directors) with the aim of functioning as a sound incentive to improve corporate value and performance over the medium to long term. Therefore, we request a resolution that the maximum amount of remuneration shall be as follows after establishing the performance-linked remuneration, and that the details regarding remuneration (specific amounts for each director, timing of payment, etc.) shall be determined by the Board of Directors within the scope of this proposal, and that the Board of Directors shall determine the details. .

(1) Basic remuneration (no change)
Up to 100 million yen per year

(2) Performance-linked remuneration (newly established)
①Monetary remuneration: Up to 1% of net income for the previous fiscal year per year.
②Stock option compensation: Up to 200 million yen and up to 6,000 units per year.

In conjunction with the introduction of such performance-linked remuneration, the Company resolved at the Board of Directors meeting held on May 11, 2023, to partially amend the policy for determining directors' remuneration, etc., subject to approval of this proposal, and if this proposal is approved, the details will be amended as described in the business report on page 33 in the original notice posted on our website (https://exawizards.com/ir/stock/meeting) in Japanese only.
The Company believes that this proposal is in line with such policy and is a reasonable level of remuneration for Directors.
The amount of such remuneration would not include the employee's salary for directors who concurrently serve as employees.
Currently, there are 7 Directors (including 3 Outside Directors), and if Proposal No. 1 is approved as originally proposed, there will be 6 Directors (including 3 Outside Directors).

2. Summary of Stock Option Compensation

Based on this proposal, it is proposed that share options as tax-qualified stock options be issued to the Company's Directors (excluding those who are Outside Directors) in an annual amount up to 200 million yen and up to 6,000 units.
A summary of the details of these stock acquisition rights is as follows.

Outline of Issuance of the stock acquisition rights.

1. Maximum number of the share options
The maximum total number of share options to be issued to the Company's Directors (excluding those who are Outside Directors) within one year from the date of the Annual Shareholders Meeting for each fiscal year shall be 6,000.

2. Class and number of shares underlying the share options
The class of shares underlying the share options shall be common shares, and the number of shares underlying one share option (hereinafter, the "Number of Shares to Be Granted") shall be one hundred (100).
When the Company conducts a share split, an allotment of shares without contribution, or a consolidation of shares with regard to its common shares after the date of allotment of share options (hereinafter, the "Date of Allotment"), if it is appropriate to adjust the Number of Shares to Be Granted, it shall be adjusted by the following formula; provided, however, that this adjustment shall be performed only for the share options that have not yet been exercised at that time and any fraction of less than one share arising as a result of the adjustment shall be rounded down.

Adjusted Number of Shares to Be Granted =
Pre-adjustment Number of Shares to Be Granted × Ratio of share split, allotment of shares without contribution, or consolidation of share.

The adjusted Number of Shares to Be Granted shall apply after the day following the record date for the relevant share split or after the effective date of the relevant consolidation of shares or allotment of shares without contribution; provided, however, that when a share split or allotment of shares without contribution is conducted under the condition that the Company's General Meeting of Shareholders approves a proposal for decreasing the amount of surplus and increasing the capital or reserve fund, if the record date or effective date of the share split or allotment of shares without contribution is a date before the conclusion of the relevant General Meeting of Shareholders, the adjusted Number of Shares to Be Granted shall apply after the day following the conclusion of the General Meeting of Shareholders.
In addition, in the event of a merger, company split or share exchange, share transfer or share delivery, the Company may adjust the Number of Shares to Be Granted to a reasonable extent by a resolution of the Board of Directors. Other than the above, if it is necessary to adjust the Number of Shares to Be Granted, the Company may adjust the Number of Shares to Be Granted to a reasonable extent.

3. Amount to be paid for share options
It is not required to pay money in exchange for share options.

4. Value of the property to be contributed for the exercise of share options

The value of the property to be contributed for the exercise of one share option shall be calculated by multiplying the amount to be paid per share to be granted by the exercise of the share options (hereinafter, the "Exercise Value") by the Number of Shares to Be Granted.

The Exercise Value shall be calculated by multiplying the average closing price of our common stock on the Tokyo Stock Exchange for each day of the month preceding the month to which the allocation date belongs (excluding days on which no trades were executed) by 1.05 and rounding up any fractional amount less than 1 yen. However, if the Exercise Value is lower than the closing price on the allocation date (or, if no trades were executed on that date, the closing price on the immediately preceding trading day), the closing price shall be used as the Exercise Value.

If any of the following items applies after the Date of Allotment, the value of the property to be contributed shall be calculated by multiplying the Exercise Value adjusted by the formula shown in each item by the Number of Shares to Be Granted. For the adjusted Exercise Value, any fraction of less than one yen shall be rounded up.

(1) Where the Company conducts a share split, an allotment of shares without contribution, or a consolidation of shares with regard to its common shares

$$\text{Adjusted Exercise Value} = \text{Pre-adjustment Exercise Value} \times \frac{1}{\text{Ratio of share split, allotment of shares without contribution, or consolidation of shares}}$$

(2) Where the Company issues new common shares (including the issuance of shares for the allotment of shares without contribution and the granting of treasury shares, excluding the issuance of shares by the exercise of share options (including bonds with share options), the issuance of shares at a fair market value, and the issuance of shares by conversion of securities that are convertible into the Company's common shares) at a price lower than the market value (before the listing of the Company's common shares on any stock exchange (hereinafter, the "Public Offering of Shares"), the pre-adjustment Exercise Value at that time shall be deemed to be the market value)

$$\text{Adjusted Exercise Value} = \text{Pre-adjustment Exercise Value} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of shares newly issued} \times \text{Amount to be paid per share}}{\text{Market value before the issuance of new shares}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}}$$

The number of shares already issued in the formula shall be calculated by deducting the number of treasury common shares held by the Company at that time from the total number of the Company's shares already issued as of the day immediately prior to the effective date of the above issuance of new shares. When disposing of treasury shares, the "Number of shares newly issued" shall be read as the "Number of treasury shares to be disposed of," and the "Market value before the issuance of new shares" shall be read as the "Market Value before disposition."

In addition to the above, if the Company conducts a merger or a company split or needs to adjust the Exercise Value for any other equivalent reason, the Company may adjust the Exercise Value appropriately to a reasonable extent.

5. Period in which share options may be exercised

The period shall begin on the anniversary of the day two years after the day following the allotment date of share options and end on the day before the anniversary of the day seven years and eleven months after the allotment date of share options. If the start date of the exercise period falls on a Company holiday, the business day following the holiday shall be the start date of the exercise period, and if the last day of the exercise period falls on a Company holiday, the business day following the holiday shall be the last day of the exercise period.

6. Conditions for the exercise of share options

(1) The Holders of Share Options shall hold the position of director, auditor, or employee of the Company or its subsidiary or affiliated company at the time of exercising the share options; provided, however, that this shall not apply if the relevant Holder of Share Options retires or resigns due to the expiry of his/her term of office, he/she reaches retirement age, or for the company's reasons or the Board of Directors decides, by a resolution, that there are reasonable grounds for the exercise of share options after the retirement or resignation of the Holder of Share Options.

(2) If a Holder of Share Options has died, the heir of the Holder of Share Options shall not be permitted to exercise the share options and the relevant share options shall cease to exist pursuant to Article 287 of the Companies Act.

(3) The Holders of Share Options may exercise all or part of the number of share options allotted; provided, however, that a share option of less than one unit may not be exercised.

(4) If a Holder of Share Options no longer holds the position of director, auditor, or employee of the Company or its subsidiary or affiliated company, the Company may determine, by a resolution of the Board of Directors, that the relevant Holder of Share Options shall not be permitted to exercise the share options. In this case,

the share options shall cease to exist on the date of resolution pursuant to Article 287 of the Companies Act.

(5) The Holders of Share Options may exercise their share options only when the closing price of the Company's common shares in ordinary transactions on the Tokyo Stock Exchange exceeds the target price (1,200 yen) at least once during the period from the Date of Allotment to the expiration date of the exercise period (June 14, 2033).
However, when the Company conducts a share split, an allotment of shares without contribution, or a consolidation of shares with regard to its common shares after the Date of Allotment, the target price shall be the figure after adjustment according to the following formula. The Adjusted target price shall be rounded up to the nearest one yen.

$$\text{Adjusted target price} = \text{Pre-adjustment target price} \times \frac{1}{\text{Ratio of share split, allotment of shares without contribution, or consolidation of shares}}$$

7. Restrictions on transfer of share options
The acquisition of share options by transfer shall require the approval of the Board of Directors.

8. Conditions for the acquisition of share options
(1) If any of the proposals (i) through (iii) below is approved by the Company's General Meeting of Shareholders (or by a resolution of the Company's Board of Directors, if a resolution of the General Meeting of Shareholders is not required), or if the proposals (iv) is approved by the Share Delivery Parent Company, the Company may acquire the share options without contribution on a day separately determined by the Board of Directors:
(i)Proposal for approving a merger agreement under which the Company is the non-surviving company
(ii) Proposal for approving an absorption-type company split agreement or an incorporation-type company split plan under which the Company is the split company
(iii) Proposal for approving a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary
(iv) Proposal for approving a share delivery plan under which the Company becomes a subsidiary
(2) If a Holder of Share Options does not satisfy the conditions for the exercise of share options provided in 8 (1) below and is unable to exercise the share options, the Company may acquire the share options held by the relevant Holder of Share Options without contribution on a day separately determined by the Board of Directors.
(3) If a Holder of Share Options waives all or part of the share options, the Company may acquire the share options without contribution.
(4) Any other grounds or condition for acquisition shall be determined in the Share Option Allotment Agreement executed between the Company and the Holders of Share Options based on a resolution of the Board of Directors.

9. Other necessary matters of stock acquisition rights
Other necessary matters related to the share options shall be determined by a resolution of the Board of Directors of the Company.

- END -