May 10, 2024

To Shareholders

Company name: MITSUBA Corporation
Name of representative: Katsuyoshi Kitada, Representative Director, President
Securities code: 7280 (Prime Market of Tokyo Stock Exchange)
Inquiries: Koji Ogino, General Manager, Accounting and Finance Department
Tel: 0277-52-0113

Notice on Acquisition and Retirement of Existing Class Shares, Issuance of Class Shares Through Third-Party Allotment, Partial Amendments to the Articles of Incorporation, Reduction of Share Capital and Capital Reserve, and Refinancing of Current Borrowings by Syndicated Loans

MITSUBA Corporation announces, as follows, that a Board of Directors meeting held today (the "Board of Directors Meeting") resolved the matters set forth in items [1] through [7] below.

[1] Pursuant to the provisions of Article 107, paragraph 2, item iii of the Companies Act and Article 11, paragraph 7 and Article 11, paragraph 23 of the Articles of Incorporation, the Company will acquire Class A shares and Class C shares held by Japan Industrial Solutions Fund II (the "JIS Fund") (collectively the "Existing Class Shares") and will retire the existing class shares pursuant to the provisions of Article 178 of the Companies Act on the condition that such acquisition is done (collectively, the "Acquisition and Retirement of Existing Class Shares"). For details, see the section titled "I. Acquisition and retirement of the existing class shares" shown below.

[2] The Company will enter into a Subscription Agreement with the Development Bank of Japan Inc. (the "Development Bank of Japan") and The Bank of Yokohama, Ltd. (the "The Bank of Yokohama") (these banks are collectively referred to as the "Prospective Allottees" and each of them is individually referred to as "Prospective Allottee"), and will issue Class D shares worth 10 billion yen in total to the prospective allottees through a third-party allotment (the "Subscription Agreement"); for details, see the section titled "II. Capital Increase Through Third-Party Allotment" shown below.)

[3] The Company will partially amend the Articles of Incorporation for the issuance of Class D shares (the "Amendment of the Articles of Incorporation"). For details, see the section titled "III. The Amendment of the Articles of Incorporation" shown below.

[4] We will reduce share capital and capital reserve, effective June 28, 2024, on the condition that payments for Class D shares are made (the "Reduction in Share Capital"); for details, see the section titled "IV. Reduction in Share Capital" shown below).

[5] We will submit proposals on (i) the capital increase through a third-party allotment and (ii) the Amendment of the Articles of Incorporation to the Annual General Meeting of Shareholders to be held on June 20, 2024 (which shall also be deemed a general meeting of class shareholders by common shareholders and be referred to as the "General Meeting of Shareholders") (however, the proposal on the Amendment of the Articles of Incorporation shall solely apply to the general meeting of class shareholders by common shareholders).

[6] We will submit, no later than the date of the General Meeting of Shareholders, a proposal on the Amendment of the Articles of Incorporation to a Class A General Meeting of Class Shareholders and a Class C General Meeting of Class Shareholders (the "Meetings of Class Shareholders") which plan to resolve them in writing pursuant to Article 319, paragraph 1 as applied mutatis mutandis pursuant to Article 325 of the Companies Act.

[7] We will refinance existing loans of ours by: i) entering into a loan agreement and other relevant agreements with financial institutions for which The Bank of Yokohama acts as lead arranger (the "Syndicated Loan Agreements"); and ii) obtaining a syndicated loan worth 50,146,200,000 yen in total (the "Syndicated Loans"; for details, see the section titled "V. The syndicated loan" shown below) in accordance with Syndicated Loan Agreements.

We will conduct the proposed capital increase through a third-party allotment and the Amendment of the Articles of Incorporation on the condition that: i) proposals on them are approved by the General Meeting of Shareholders; ii) the proposal on the Amendment of the Articles of Incorporation is approved by the general meeting of class shareholders (including the fact that a resolution is passed by the general meeting of class shareholders pursuant to the provisions of Article 319 of the Companies Act to be applied mutatis mutandis under the provisions of Article 325 of the Companies Act; the same shall apply hereinafter), and iii) the acquisition and retirement of existing class shares have been completed, and the reduction of share capital is done on the condition that the capital increase through the third-party comes into effect. Payments by prospective allottees for Class D shares are made on the condition that: i) the Amendment of the Articles of Incorporation has come into effect and remains in effect; ii) procedures required for the reduction of share capital have been completed and the amount of reduction in share capital is expected to be definite; iii) a syndicated loan agreement (the "Syndicated Loan Agreement") has been effectively and lawfully entered into with a syndicate group whose arranger is The Bank of Yokohama and the agreement remains in effect; iv) a commitment line revision agreement (the "Commitment Line Revision Agreement") has been effectively and lawfully entered into, and kept in effect, with The Bank of Yokohama as the lender and the agent for other financial institutions as an agreement that stipulates a revision to an extendable due date for a commitment period maturity date set forth in a commitment line agreement (the "Commitment Agreement"); and v) the acquisition and retirement of the existing class shares have been completed.

I. Acquisition and Retirement of Existing Class Shares

(1) Reasons for acquisition and retirement of existing class shares

As presented in the "Notice of Occurrence of a Reason for Terminating the Restriction on Conversion of Class-A Shares and Class-C Shares" dated May 10, 2023, there occurred a reason for terminating the restriction on conversion of existing class shares. We decided to acquire and retire all the existing class shares outstanding in the Company as its shares could potentially be diluted due to exercise of acquisition rights (acquisition rights for common shares that are attached to Class-A shares and Class-C shares, acquisition rights for cash attached to Class-A shares, and acquisition rights for Class-B shares).

(2) Details of acquisition of existing class shares

[1] Class-A shares

1.	Number of shares to be acquired	10,000 shares
2.	Details of price of shares to be acquired	Cash
3.	Per-share acquisition price	1,254,630.10 yen

(Note) The above acquisition price was calculated by multiplying 1 million yen paid per share at the time of issuance by a redemption factor of 1.24 and by adding to it an accrued dividend (an amount equivalent to a Class-A share dividend as calculated in accordance with Article 11-2, Paragraph 2 of the Articles of Incorporation, assuming that class share dividend is paid in the business year containing the acquisition date with the acquisition date as the record date).

4.	Total amount of share acquisition	12,546,301,000 yen
5.	Date of acquisition	June 28, 2024
6.	Acquirer	Japan Industrial Solutions No. II

[2] Class-C shares

1.	Number of shares to be acquired	5,000 shares
2.	Details of price of shares to be acquired	Cash
3.	Per-share acquisition price	1.51 million yen

(Note) The above acquisition price is one determined by multiplying 1 million yen paid per share at the time of issuance by a redemption factor of 1.51.

4.	Total amount of share acquisition	7.55 billion yen
5.	Date of acquisition	June 28, 2024
6.	Acquirer	Japan Industrial Solutions No. II

Class-C shares shall be acquired on the condition that the Company acquires Class-A shares in accordance with Item [1] above.

(3) Details of retirement of existing class shares

[1] Class-A shares

1. Number of shares to be retired 10,000 shares
2. Effective date of retirement June 28, 2024

[2] Class-C shares

1. Number of shares to be retired 5,000 shares
2. Effective date of retirement June 28, 2024

Existing class shares will be retired on the condition that the Company acquires existing class shares in accordance with Item 2 above.

II. Capital Increase Through Third-Party Allotment

1. Overview of the offering

(1)	Payment date	June 28, 2024
(2)	Number of new shares to be issued	Class-D shares: 200 shares
(3)	Issue amount	50 million yen per share
(4)	Amount of proceeds	10 billion yen
(5)	Amount to be credited to share capital	5 billion yen (25 million yen per share)
(6)	Preferred dividend rate	7.8% per annum
(7)	Offering or allotment method (Prospective allottees)	To be allotted to the following prospective allottees through a third-party allotment. Development Bank of Japan Inc.: 100 shares The Bank of Yokohama, Ltd.: 100 shares
(8)	Others	For details, please see Attachment 1 "Class-D Share Issuance Guidelines." For Class-D shares, provisions are in place on cumulative and non-participatory preferred dividends, which enable dividends to be paid in preference to common shareholders. The amount of preferred dividend per Class-D share is one calculated by multiplying by 7.8% per annum a combined total of an amount to be paid in for per-Class-D share and unpaid Class-D preferred dividends after the year-end dividend for the previous fiscal year. Class-D shares are not entitled to voting rights and are subject to transfer restriction. Class-D shares are entitled to acquisition rights for common shares, acquisition rights for cash and an acquisition clause for cash. The maximum dilution rate for all Class-D shares upon exercise of acquisition rights for common shares will be approximately 31.59% on the assumption that there are no accrued preferred dividends. The number of shares of our common stock to be converted upon exercise of the acquisition right will increase further if dividends of surplus on Class-D shares are not paid and the amount of accrued preferred dividends accumulates. The Company and prospective allottees agreed in this Subscription Agreement on the terms and conditions for exercise of acquisition rights for Class-D common shares and of acquisition rights for cash. As described below in "[2] Acquisition rights for common shares" and "[3] Acquisition rights for cash" in "(3) Overview of Class-D shares" under "2. Purposes and reasons for offering," prospective allottees may not exercise acquisition rights for common shares without permission from the Company unless a cause for cancellation of the restriction on conversion stipulated in the Underwriting Agreement occurs, and may not exercise acquisition rights for cash until June 27, 2029, unless a cause for cancellation of the restriction on exercise of the acquisition right for cash specified in the Subscription Agreement occurs. Payment for Class-D Shares will be made by prospective allottees on the condition that: i) the Amendment of the Articles of Incorporation comes into effect and is kept in effect; ii) procedures required for share capital reduction are completed and the reduction is

	expected to be definite in amount; iii) the Syndicated Loan Agreement is entered into effectively and lawfully and is kept in effect; iv) the amendment of the Commitment Line Agreement is entered into effectively and lawfully and is kept in effect; and v) the acquisition and retirement of existing class shares are completed.

2. Purposes and reasons for offering

(1) Background to the offering and its purposes

Under the new Medium-Term Management Plan, we are now working on a group-wide basis to realize MITSUBA VISION 2030 as we see as an opportunity in the growing need for electrification, where our core technologies can be utilized, in accordance with a corporate philosophy of "offering pleasure and peace of mind to customers worldwide."

On September 30, 2020, the Company issued existing class shares to be allocated to the JIS Fund, and formulated the 12th Medium-Term Management Plan (the "12th Medium-Term Plan") in response to the Company seeing its earnings and financial position deteriorate due to the management policy of sales expansion and to increasing fixed costs and capital expenditures, which led its capital adequacy ratio to decline.

Since then, we continued to pursue business structural reforms under the 12th Medium-Term Plan. However, affected by significant changes in the operating environment, such as the spread of COVID-19, the decline in OEM production due to semiconductor supply problems, and soaring raw material and logistics costs, our business performance declined below the targets of the 12th Medium-Term Plan. Therefore, we formulated the current Medium-Term Management Plan (the "Current Medium-Term Plan") for the period from FY2023 to FY2027 by adding new measures.

Under the current Medium-Term Plan, following on from the 12th Medium-Term Plan, we are now working to sophisticate our business management by: i) shifting our business resources to future growth domains through election and concentration: ii) further strengthening our corporate structure through sales improvement activities and global staffing optimization efforts: iii) controlling inventories and investment forecasting-spending in a more rigorous manner, and iv) stepping up our operations by clearly identifying quality costs in production processes.

Through the above, we achieved certain results in improving management and strengthening our earnings and financial structure. Therefore, we decided to reduce the risk of potential stock dilution by using retained earnings to acquire and retire existing class shares and promote self-propelled management.

On the other hand, in order to make its financial structure even sounder toward realizing MITSUBA VISION 2030, the Company set financial targets such as an ROE of 10% or more and a capital adequacy ratio of 30% or more for FY2027, the final year of the Medium-Term Management Plan. We concluded that the Company needed to secure funds to invest in the growth areas described in "3. (2) Specific uses of cash to be raised" and to utilize capital funds to maintain a certain level of capital and ensure management stability. This was in consideration of: i) the need to invest in areas expected to grow, such as electric vehicles and electrification, as a means to achieve these goals and make the Company grow sustainably; and ii) the need to make it more resilient to unforeseen events such as impairment risks stemming from unexpected changes in the external environment, deterioration in business performance, and a rapid appreciation of the yen.

(2) Reason for choosing the third-party allotment

To date, we have been considering various alternatives in an effort to stabilize our financial position and care about potential impacts on our existing shareholders. As described in the section titled "I. Acquisition and Retirement of Existing Class Shares," acquiring and retiring existing class shares will cause the Company's equity capital to decrease. However, we think it is necessary to raise long-term and stable funds as capital expenditures in areas expected to grow, and future growth will take a certain length of time to recover investments. In this situation, we believe that it is necessary and appropriate to raise capital funds while comparing it with debt financing in the form of loans from financial institutions or bond issuance.

With regard to a financing method, in consideration of the current economic conditions and capital market developments as well as the operating environment for the Company, its financial position and business

performance, and the recent stock price situation, the Company concluded it would be inappropriate to conduct a public offering or a third-party allotment of common shares because: i) it would immediately result in a commensurate degree of dilution of common shares, potentially causing detriment to shareholders; and ii) the financing value might fluctuate depending on stock price levels. We also concluded that it would be now inappropriate to take the alternative of conducting a gratis allotment of stock acquisition rights (rights offering) to existing shareholders or an allotment of shares to existing shareholders because the definitive financing value is unknown as allotted shareholders might not exercise all of their stock acquisition rights in light of stock price movements and shareholders might not accept the allotment of shares. We also came to a conclusion that the equity commitment line intended to allocate stock acquisition rights to securities companies was inappropriate for the same reason and due to a gradual but commensurately large dilution of common shares.

In comparison, we concluded that a third-party allotment of new shares using class shares would be the most effective alternative for the Company because it can reliably raise the required amount and, depending on product design, and it would be possible to avoid a rapid dilution and changes in the composition of shareholders while raising capital, and to choose appropriate external investors. Therefore, as described in the section titled "(1) Background to the offering and its purposes" above, as a result of reviewing the selection of external investors, the Company decided to conduct a capital increase through third-party allotment to the prospective allottees. Against the background of the Company's financial soundness enhancement, Class-D shares now enjoy improved real economic conditions in comparison to existing class shares when taking into account a preferred dividend rate and other factors. As described in "(3) Overview of Class-D shares," conversion to common shares is designed to be carried out only in limited circumstances. In order to achieve MITSUBA VISION 2030, the Company concluded that it would be currently the best option to stabilize its financial position as soon as possible by conducting the third-party allotment and raising funds for capital expenditures targeting growth areas.

(3) Overview of Class-D shares

[1] Preferred dividend

We set the dividend rate of Class-D shares at 7.8% per annum. In the event of any shortfall in preferred dividends for Class-D shareholders in a given fiscal year, the shortfall value is intended to accrue cumulatively for the following fiscal year and thereafter. In principle, Class-D shareholders may not receive dividends of surplus in excess of the amount of such preferred dividends.

[2] Acquisition rights for common shares

Class-D shares are entitled to acquisition rights for common shares. The Guidelines for Issuance of Class-D shares stipulate that, in principle, a prospective allottees may request the Company for an acquisition of all or part of Class-D shares for common shares at any time after the date of issuance of the Class-D Shares. However, pursuant to the provisions of this Subscription Agreement, the prospective allottees may exercise acquisition rights for common shares only in the cases described below ("Reason for lifting conversion restriction").

(i) An elapse of six months from the date on which acquisition rights for cash come into effect

(ii) An elapse of December 27, 2029

(iii) In cases where dividends of surplus for Class-D shareholders are not paid at all during two fiscal years

(iv) In cases where the preconditions for payment by the prospective allottees set forth in this Subscription Agreement are found to have not been met on the payment date

(v) In cases where the Company has [1] materially breached the representations and warranties under the Subscription Agreement or [2] breached any other provision of the agreement (excluding the representations and warranties in the agreement) (except for minor breaches), and where such breach is not corrected within 30 days after the date on which the Company receives from the subscriber a written notice informing such breach

The number of common shares to be delivered upon exercise of the acquisition rights of Class-D shares for common shares shall be a number calculated using the following calculation formula:

(Calculation formula)

The number of common shares of the Company to be delivered in exchange for Class-D shares

= The number of Class-D shares for which acquisition is requested by the shareholder

× An amount to be determined by subtracting a subtraction value specified in [3] (b) below from a basic redemption value specified in [3] (a) below (however, the basic redemption value and the subtraction value will be computed by replacing a redemption demand date in a basic redemption value calculation formula and a subtraction value calculation formula with a conversion demand date and by replacing Class-D preferred dividends paid prior to a redemption demand in the formulas with Class-D preferred dividends paid prior to a conversion demand (referring to Class-D preferred dividends paid (including interim Class-D preferred dividends paid prior to the conversion demand date);

÷ Conversion price

The initial conversion price will be 1,344 yen and on June 30 and December 31 each year after December 31, 2024 will be revised to 95% of the market value (the average daily closing price (includes indication) on the Tokyo Stock Exchange for 30 trading days from a date 45 trading days prior to a conversion value adjustment date (excludes days without closing price), which shall be calculated up to two decimal places and be rounded to one decimal place). The lowest revised value will be 708 yen (the lowest conversion price). If an acquisition right is exercised at the lowest conversion price, 14,124,293 common shares (31.56% of the number of issued common shares prior to the issuance of the preferred stock (the third decimal place will be rounded to the second decimal place)) will be delivered. The number of shares of our common stock to be converted upon exercise of the acquisition right will increase further if dividends of surplus on Class-D shares are not paid and the amount of accrued preferred dividends accumulates.

[3] Acquisition rights for cash

Class D shares are entitled to acquisition rights for cash. The Guidelines for Issuance of Class-D Shares stipulates that the prospective allottees may, in principle, demand that the Company acquire all or part of Class-D Shares for cash at any time after the issuance date for the Class-D shares. However, pursuant to the provisions of this Subscription Agreement, until June 27, 2029 (including on the date), the prospective allottees may exercise the right to demand that the Company acquire such shares for money only in the cases described in the outline and below ("reasons for lifting restriction on right exercise for cash"):

(i) Cases where a distributable of surplus on the Company's non-consolidated balance sheet on March 31, 2025, or on any last day of each fiscal year thereafter is less than, or equal to, the sum of compulsory redemption values to be determined on the assumption that all Class-D Shares are forcibly redeemed on the last day of the relevant fiscal year (however, this shall not apply to cases: i) where, at the annual meeting of shareholders of the Company pertaining to the relevant fiscal year, a proposal required for reducing share capital or capital reserve by an amount equal to, or over, one to be determined by subtracting the distributable surplus on the Company's non-consolidated balance sheet on the last day of the fiscal year from a compulsory redemption value to be determined on the assumption that all of Class-D shares are redeemed compulsorily; and ii) where the intended reduction in such share capital or capital reserve comes into effect lawfully and validly within three months from the last day of the fiscal year in question);

(ii) Cases where the amount of equity capital (referring to an amount to be determined by subtracting the amount of non-controlling interests from the amount of total net assets under the net assets account) on the Company's consolidated balance sheets on March 31, 2025, and on any last day of each fiscal year thereafter is less than 75% of the amount on the last day of the previous fiscal year or of the amount on the last day of the fiscal year ending March 2024, whichever is larger;

(iii) Cases where the net income or loss on the consolidated profit and loss statement of the Company on March 31, 2025, and at the end of each fiscal year thereafter is in the red for two consecutive business years;

(iv) In cases where the preconditions for payment by the prospective allottees set forth in this Subscription Agreement are found to have not been met;

(v) Cases where the Company has [1] materially breached the representations and warranties under the Subscription Agreement or [2] breached any other provision of the agreement (excluding the representations and warranties under the Agreement) (with the exception of minor breaches) and such breach is not corrected within 30 days after the date on which the Company receives from the subscriber a written notice informing the breach

The amount of money to be delivered upon exercise of the acquisition rights for cash attached to Class-D Shares ("Redemption Value") will be an amount to be calculated by the following calculation formula:

(a) Basic redemption value

Redemption value per Class-D share will be an amount to be calculated by the following calculation formula ("Basic Redemption Value").

(Basic redemption value calculation formula)

Basic redemption value = 50 million yen × $(1 + 0.078)^{m+n/365}$

The number of days in the period from the payment date (including the date) to the redemption demand date (including the date, and referred to as "Redemption Demand date") will be shown as "m years and n days".

(b) Subtraction value

Notwithstanding [3] (a) above, redemption value per Class-D share will be an amount to be calculated by deducting a value to be calculated by the following calculation formula from a basic redemption value specified in [3] (a) above in cases where any Class-D preferred dividends ("Class-D Preferred Dividends Paid Prior to Redemption Demand" including interim preferred dividends paid prior to a redemption demand date) are paid prior to the redemption request. If Class-D preferred dividends paid before a redemption demand are paid multiple times, a subtraction value will be calculated for each of Class-D preferred dividends paid before the redemption demand, and the combined total amount will be subtracted from the basic redemption value specified in [3] (a) above.

(Calculation formula for subtraction value)

Subtraction value = Class-D preferred dividend paid prior to a redemption demand × $(1 + 0.078)^{x+y/365}$

The number of days from the payment date for Class-D preferred dividends paid prior to a redemption demand (including the date) to the redemption demand date (including the date) will be shown as "m years and n days".

[4] Cause for acquisition for money

A clause for acquisition for cash applies to Class-D shares. Under the clause attached to Class-D shares on an acquisition for cash in the Guidelines for Issuance of Class D Shares, it is allowed, within a scope permitted by laws and regulations, to acquire all or part of Class-D shares for cash after giving a written notice (which shall be irrevocable) to Class-D shareholders no later than 20 trading days prior to the redemption date for Class-D shares for cash on or after a date separately specified by the Board of Directors of the Company ("Class-D Share Redemption Date for Cash") at any time after the issuance date. However, pursuant to the provisions of the Subscription Agreement, the clause for acquisition for money is allowed to be exercised only after the passage of one year from the payment date.

An amount of money to be delivered upon exercise of the acquisition clause for cash attached to Class-D shares ("Compulsory Redemption Value") will be an amount to be calculated by the following calculation formula.

(a) Basic compulsory redemption value

A compulsory redemption value per Class-D share will be an amount equivalent to a basic redemption value to be calculated by the basic redemption value calculation formula (however, "redemption demand date" in the formula will be replaced with "compulsory redemption date" for application purposes) that is

set forth in [3] (a) above ("Basic Compulsory Redemption Value").

(b) Subtraction value

Notwithstanding [4] (a) above, if any Class-D preferred dividends ("Class-D Preferred Dividends Paid Prior to Compulsory Redemption," including interim Class-D preferred dividends paid prior to a compulsory redemption date) are paid prior to a compulsory redemption date, the compulsory redemption value per Class-D share will be an amount to be determined by subtracting, from the basic compulsory redemption value set forth in [4] (a) above, a subtraction value to be calculated by the subtraction value calculation formula set forth in [3] (b) above (however, "Redemption Date" and "Class-D Preferred Dividends Paid Prior to a Redemption Demand" in the subtraction value calculation formula will be replaced respectively with "Compulsory Redemption date" and "Class-D Preferred Dividends Paid Prior to a Compulsory Redemption." If Class-D Preferred Dividends Paid Prior to Compulsory Redemption are paid multiple times, a subtraction value will be calculated for each of Class-D Preferred Dividends Paid Prior to Compulsory Redemption, and the combined total amount will be subtracted from the basic redemption value specified in [4] (a) above.

[5] Voting rights

Class-D shareholders shall not have voting rights at shareholders meetings unless otherwise provided for by laws and regulations.

[6] Transfer restrictions

Yes

For details of Class-D shares, please see Attachment 1 "Class-D Share Issuance Guidelines".

3. Amount of cash to be raised, its uses and planned expenditure date

(1) Amount of cash to be raised

[1]	Total amount to be paid in	10 billion yen
[2]	Estimated amount of issuance costs	340 million yen
[3]	Estimated approximate net proceeds	9.66 billion yen

(Note) Estimated issuance costs will consist mainly of service fees, registration and license taxes, financial advisory fees, due diligence fees, legal advisory fees, valuation fees, and disclosure document translation fees, excluding consumption taxes.

(2) Specific uses of cash to be raised

	Specific use	Amount (millions of yen)	Scheduled spending period
[1]	Launch of new products for the four-wheel market, launch of products for new customers, and introduction of new machinery and molds and capacity building to expand sales to existing customers	7,600	July 2024 - March 2028
[2]	Launch of new products for the motorcycle market, introduction of new machinery and molds to launch products for new customers, etc.	2,060	July 2024 - March 2028

* Until the raised funds are actually disbursed, they will be managed in a bank account.

Our company will allocate the proceeds from the capital increase through the third-party allotment as follows in order to build a competitive production system in areas expected to grow, mainly EV and electrification. Through these capital expenditures, we will expand our business targeting new customers for four wheel and two-wheel vehicles, develop new two-wheel vehicles, and further streamline our production system, thereby building a stable revenue base.

[1] Launch of new products for the four-wheel market, launch of products for new customers, and introduction of new machinery and molds and capacity building to expand sales to existing customers

(i) Production lines for launching brushless fan motors and fan shrouds, Metal molds and experimental equipment

(ii) Electricity-powered oil pump motors * New production lines, molds, and experimental equipment that are designed to expand production capacity

* Used for oil lubrication and cooling of hydraulic sources such as clutches and EV drive motors

(iii) New production lines for electricity-powered steering motors, metal molds

(iv) Production lines for launching brushless motors for electricity-powered servo brake systems, metal molds

[2] Introduction of new machines, equipment and molds for launching new products for the two-wheel vehicle market and products for new customers

(i) Introduction of machines, equipment and molds toward setting up mass production lines for two-wheel EV products

4. Basic approach to the reasonableness of our uses of funds

The funds to be raised through the capital increase by the third-party allotment will be appropriated as capital expenditure funds intended for us to grow in the future (for breakdown, see "(2) Specific uses of cash to be raised" in "3. Amount of cash to be raised, its uses and planned expenditure date." We will build a revenue base that will serve as a pillar for the future.

We think conducting the planned capital increase through the third-party allotment will contribute to improving the corporate value of the Company, and believe the above-mentioned uses of the funds are reasonable for us.

5. Reasonableness of the terms and conditions of issuance

(1) Basis for calculating the amount to be paid in and its specifics

The Company has judged the terms and conditions for issuing Class-D shares (including the terms and conditions of the Subscription Agreement) to be reasonable as a result of considering various conditions such as the preferred dividend rate for Class-D shares (7.8% per annum) and the credit costs to be borne by preferred shareholders and comprehensively taking into account the operating environment and financial position of the Company.

In addition, the Company requested Akasaka International Accounting Co., Ltd. ("Akasaka International Accounting"), a third-party valuation organization independent of our company, to analyze the value of Class-D shares in order to ensure fairness in the determination of the terms and conditions of issuance of such shares. Akasaka International Accounting calculated the value of Class-D shares using a binomial lattice model, a general stock option valuation model able to calculate a valuation reflecting the major characteristics of Class-D shares. Today, we obtained a valuation report on Class-D shares ("Class Share Valuation Report") from Akasaka International Accounting.

According to the Class Share Valuation Report, Akasaka International Accounting set certain assumptions that took into account market conditions as of the valuation record date (the dividend amount of Class-D shares, the clause of acquisition for cash, the right of acquisition for cash, the right of acquisition for common shares, acquisition price of Class-D shares, a period until the Company can exercise the clause for acquisition for cash, a period until Class D shareholders exercise the right of acquisition for cash and the right of acquisition for common shares, the stock price of the Company, volatility, dividend yield, risk-free interest rates, and credit spreads) and calculated the fair valuation of Class-D shares to be between 48,765,645 yen and 50,213,259 yen per Class-D share.

The Company received a proposal from the prospective allottees for the terms and conditions of issuance, including

the payment amount for Class-D shares to be 50 million yen per share, and confirmed that the payment amount is not below the lower limit of the valuation range, with reference to the valuation amount calculated by the calculation institution based on the above assumptions. In addition, while comprehensively taking into account the operating environment and financial position of the Company, the Company repeatedly consulted and negotiated with the prospective allottees regarding the terms and conditions of issuance, and determined an amount to be paid in for Class-D shares to be 50 million yen per share and decided other terms and conditions of issuance. Since the issue price of Class-D shares has been determined to be not less than the lower limit of the valuation range and the valuation procedure does not contain anything unreasonable, the terms and conditions for issuing Class-D shares are reasonable and their issuance does not fall under the category of advantageous issuance.

However, given that there could be various views on the valuation of Class shares, we will issue Class-D Shares in accordance with the provisions of Article 199, paragraphs 2 and 3 and Article 309, paragraph 2 of the Companies Act conservatively on condition of obtaining approval by a special resolution at the General Meeting of Shareholders.

(2) Basis for judging the issue size and the extent of dilution of shares to be reasonable

While we will raise a total of 10 billion yen by issuing 200 Class-D shares, we judged the issuance volume of Class D shares to be reasonable in light of the purposes of the issuance of Class-D shares and the uses of funds that are each described above. Although Class-D shares have no voting rights at a General Meeting of Shareholders, exercising of acquisition rights for common shares could potentially have a dilutive effect on existing shareholders. Assuming that acquisition rights for common shares are exercised for all Class-D shares, a maximum of 141,242 voting rights of common shares will be delivered in the absence of outstanding preferred dividends of Class-D shares, and the ratio to the total number of 447,067 voting rights of the Company's issued common shares based on the shareholder registry as of March 31, 2024, will be approximately 31.59%. If accrued preferred dividends accumulate without any payment of dividends of surplus related to Class-D shares, the number of voting rights related to common shares to be converted upon exercise of the acquisition rights will increase further.

As described above, if common shares of the Company are delivered through exercise of acquisition rights of Class D shares, it will result in a dilution of such common shares. However, the Company will take measures to reduce any impact on existing shareholders stemming from the dilution, based on the fact: [1] enhancing equity capital through the third-party allotment will contribute to stabilizing the Company's financial position; [2] it is agreed in the Subscription Agreement that the prospective allottees will not exercise acquisition rights of Class-D shares for common shares without obtaining approval from the Company unless a reason for lifting the conversion restriction occurs; and [3] Class-D shares are bound by an acquisition clause for cash that may be exercised at any time after the elapse of one year from the date of issuance, and Class-D shares are designed to be redeemed compulsorily at the discretion of the Company, thereby restraining dilution to be caused by exercise of acquisition rights for common shares (it will be done not only fully but also partially). In this regard, the Company believes that the extent of any potential dilution stemming from the issuance of Class-D shares is reasonable.

6. Reasons for choosing the prospective allottees

(1) Overview of the prospective allottees

(1)	Names	The Development Bank of Japan Inc.
(2)	Address	1-9-6, Otemachi, Chiyoda-ku, Tokyo Otemachi Financial City South Tower
(3)	Title and name of Representative	Seiji Jige, Representative Director, President
(4)	Principal business activities	Financial insurance business
(5)	Share capital	1,000,424,000,000 yen
(6)	Date of founding	October 1, 2008

(7)	Number of issued shares	43,632,360 shares (as of September 30, 2023)
(8)	Fiscal year	March
(9)	Number of employees	1,867 (as of September 30, 2023) (consolidated)
(10)	Major business partners	-
(11)	Major trading bank	-
(12)	Major shareholders and shareholding ratios	Minister of Finance of Japan: 100%
(13)	Relationship between the parties	
	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Financial transactions of bank borrowing have been done between the Company and the prospective allottees.
	Interested parties	Not applicable

(14) Operating results and financial position for the last three years

Fiscal year	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Consolidated net assets	3,703,415	3,832,062	3,963,784
Consolidated total assets	21,221,829	21,508,591	21,482,420
Consolidated net assets per share (yen)	64,719.67	65,892.29	68,285.56
Consolidated ordinary revenue	269,462	310,349	374,584
Consolidated ordinary profit	73,096	86,134	135,387
Profit attributable to owners of parent	45,246	57,612	92,775
Consolidated basic earnings per share (yen)	867.21	1,382.07	1,889.44
Consolidated dividend per share (yen)	186	358	419

(Unit: Millions of yen, excluding specified items)

* The corporate history and officers of the prospective allottees are presented in the Annual Securities Report. Based on information known to the Company such as information presented by the prospective allottees and the existing business relationship between them and the Company, we have concluded that none of the prospective allottees, their officers or major shareholders have any relationship with anti-social forces, and has submitted a written confirmation to that effect to the Tokyo Stock Exchange, Inc.

(1)	Names	The Bank of Yokohama, Ltd.
(2)	Address	3-1-1 Minatomirai, Nishi-ku, Yokohama-city, Kanagawa, Japan
(3)	Title and name of Representative	Tatsuya Kataoka, President and Representative Director
(4)	Principal business activities	Banking service
(5)	Share capital	215,628,000,000 yen
(6)	Date of founding	December 16, 1920
(7)	Number of issued shares	1,204,576,748 shares (as of September 30, 2023)
(8)	Fiscal year	March
(9)	Number of employees	(Consolidated) 4,067
(10)	Major business partners	-
(11)	Major trading bank	-
(12)	Major shareholders and shareholding ratios	Concordia Financial Group, Ltd.: 100%
(13)	Relationship between the parties	
	Capital relationship	The allottees own 2,199,330 common shares of the Company.
	Personnel relationship	The Company currently has two professionals on loan from the prospective

		allottees.
	Business relationship	Financial transactions of bank borrowing have been done between the Company and the prospective allottees.
	Interested parties	Not applicable

(14) Operating results and financial position for the last three years

Fiscal year	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Consolidated net assets	1,015,571	1,017,547	1,025,072
Consolidated total assets	19,398,821	21,661,327	23,746,795
Consolidated net assets per share (yen)	838.23	839.79	846.18
Consolidated ordinary revenue	263,460	256,962	283,078
Consolidated ordinary profit	52,842	71,078	70,589
Profit attributable to owners of parent	34,553	45,989	49,387
Consolidated basic earnings per share (yen)	28.68	38.17	41.00
Consolidated dividend per share (yen)	-	-	-

(Unit: Millions of yen, excluding specified items)

* The corporate history and officers of the prospective allottees are presented in the Annual Securities Report. Based on information known to the Company such as information presented by the prospective allottees and the existing business relationship between them and the Company, we have concluded that none of the prospective allottees, their officers or major shareholders have any relationship with anti-social forces, and has submitted a written confirmation to that effect to the Tokyo Stock Exchange, Inc.

(2) Reason for choosing the prospective allottees

We chose The Development Bank of Japan and The Bank of Yokohama as our prospective allottees in comprehensive consideration of the fact that: i) both banks were major partner financial institutions for the Company; ii) having Class-D shares held by multiple major partner financial institutions would further stabilize the Company's financial policies; and iii) they fully understood the business environment for the Company as well as its business conditions and capital policy approach.

The Company resolved to enter into an agreement with The Development Bank of Japan and The Bank of Yokohama on matters related to investment in the Company, including the following:

[1] Oath of the Company

The Company has promised the prospective allottees that the former will i) inform the latter of the business operation status and the business performance and hold regular meetings and officer meetings with the prospective allotees; ii) obtain prior approval of the prospective allottees in the event of canceling or terminating any matter requiring a special resolution of a general meeting of the shareholders of the Company or all or a significant part of operations or in the event of engaging in an act to assume certain obligations or in certain swap transactions, such as for sale of important real estate, leasing of entire business operations, delegation of management of entire business operations, amendment of the articles of incorporation, organizational realignment, corporate dissolution, filing of a petition for bankruptcy proceedings, stock split, stock merger, gratis allotment, acquisition of treasury shares, dividends of certain surplus, and share capital reduction (however, any of the prospective allottees shall maximally respect decision-making by the Company and may not unreasonably refuse to give, or refrain from giving, such approval; iii) inform duly the prospective allottees of any change made to the shareholders of the Company or to the shareholder breakdown, of any commencement done of a lawsuit that could potentially affect its financial position adversely, of any termination done of the Syndicate Loan or the Commitment Line Agreement or any event of a relevant debt default, and of any change (excluding any change to be made under a renewed Commitment Line Agreement) to, or termination of, the Syndicate Loan Agreement or the Commitment Line Agreement, and iv) make commercially-reasonable and utmost efforts to take necessary measures to reduce share capital and capital reserve in order to generate cash for paying dividends of surplus or acquiring Class-D shares to the extent

possible by consulting with the prospective allottees in good faith to obey their reasonable demand and to an extent conforming to laws, for the purpose of becoming able to pay out dividends of surplus to the prospective allottees and acquire Class-D shares.

[2] Restriction on exercise of acquisition rights

The prospective allottees may not exercise the acquisition rights for common shares without obtaining approval from the Company unless there is a reason for lifting the conversion restriction, and may not exercise the acquisition rights for cash until June 27, 2029, unless there is a reason for lifting the restriction on the exercise of the acquisition rights for cash.

[3] Prerequisites to payment obligation

The prerequisites to the fulfillment of the payment for Class-D shares by the prospective allottees are that: i) the Amendment of the Articles of Incorporation has come into effect and remains in effect; ii) procedures required for the share capital reduction have been completed and the reduction will likely be definitive; iii) the Syndicated Loan Agreement has been effectively and lawfully entered into and been kept in effect; iv) the agreement on the revision to the Commitment Line Agreement has been effectively and lawfully entered into and been kept in effect; and v) the existing class shares have been acquired and retired completely.

(3) Holding policy of the prospective allottees

The Company understands that the prospective allottees intend to acquire Class-D shares as a medium-term investment and to hold them after acquiring them, in accordance with the provisions of the issuance guidelines for Class-D shares.

As described in "2. (3) [2] and [3] above, under the Subscription Agreement, the Allottees may not exercise their acquisition rights for common shares of the Company without obtaining approval from it unless any reason for lifting the conversion restriction occurs, and may not exercise their acquisition rights for cash until June 27, 2029, unless any reason for lifting the exercise restriction occurs.

As described in 2. (3) [6] above, Class-D shares are subjected to transfer restriction, and all or a part of Class-D shares may not be transferred without prior written consent of the Company.

In addition, the Company plans to obtain from each of the prospective allottees a letter of assurance consenting to the fact that, if any of them transfers within two years from the payment date all or a part of the Class-D shares to be issued through the third-party allotment, it shall inform the details to the Company in writing, it shall notify the details to the Tokyo Stock Exchange, and they will be made available for public viewing.

(4) Verification of the existence of assets required for payment by the prospective allottees;

The Company has verified the amount of cash deposited as of September 30, 2023, as shown in the balance sheet of a semiannual report submitted by the Development Bank of Japan to the Director-General of the Kanto Local Finance Bureau for the fiscal year ended March 2024 and the amount of cash deposited as of March 31, 2023, as shown in the balance sheet stated in the public notice of financial results for the 162nd fiscal year of The Bank of Yokohama, and has verified that each of the prospective allottees holds funds required for payment for Class-D shares. The Company has been notified by each of the prospective allottees that they will be able to complete the preparation of funds required for payment by the payment date, and has concluded that they will be able to secure sufficient funds to subscribe to the shares to be allotted by the payment date.

7. Major shareholders and shareholding ratios after the planned offering

(1) Common shares

Before offering (as of March 31, 2024)		After offering
The Master Trust Bank of Japan, Ltd. (trust account)	8.86%	Same as on the left
Mitsuba Business Partner Shareholding Association	5.04%	
The Bank of Yokohama, Ltd.	4.91%	
The retirement benefit trust account of Nissan Motor Co., Ltd.; Trustee: Mizuho Trust & Banking Co., Ltd.; Trustee: Custody Bank of Japan, Ltd.	3.89%	
Honda Motor Co., Ltd.	3.71%	
Sunfield Industries YK	3.46%	
SECOM General Insurance Co., Ltd.	3.00%	
Custody Bank of Japan, Ltd. (trust account)	2.36%	
Mitsubishi UFJ Trust and Banking Corporation	2.31%	
Ashikaga Bank, Ltd.	2.25%	

* Each of the shareholding ratios shown herein is the ratio of the number of shares held to the number of issued shares (excluding treasury shares).

(2) Class D shares

Before offering (as of May 10, 2024)	After offering	
Not applicable	The Development Bank of Japan Inc.	50.00%
	The Bank of Yokohama, Ltd.	50.00%

8. Future outlook

By issuing Class D shares, we will invest in the growth areas described in "3. (2) Specific uses of cash to be raised" as a response to the evolution of mobility and will at the same time build a long-term and stable financial base.

The impact of the issuance of Class-D shares on the Company's business performance is predicted to be negligible.

9. Matters related to the procedures under the Code of Corporate Conduct

As the planned capital increase through a third-party allotment will result in a dilution rate of 25% or more for the shares of the Company, it plans to obtain approval by a special resolution at the General Meeting of Shareholders for a procedure to verify the intention of shareholders as stipulated in Article 432 of the Securities Listing Regulations laid down by the Tokyo Stock Exchange.

10. Performance and equity financing in the last three years

(1) Performance for the last three years (consolidated)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 2024
Consolidated net sales	286,482,000,000 yen	319,500,000,000 yen	344,154,000,000 yen
Consolidated operating profit	7,187 million yen	6,718 million yen	21,152,000,000 yen
Consolidated ordinary profit	7,529 million yen	6,049 million yen	22,344,000,000 yen
Profit attributable to owners of parent	83 million yen	1,185 million yen	13,741,000,000 yen
Consolidated basic earnings per share	1.87 yen	26.49 yen	293.62 yen
Dividend per share	3.00 yen	3.00 yen	6.00 yen
Consolidated net assets per share	1,052.91 yen	1,143.28 yen	1,922.39 yen

(2) Current number of issued shares and current number of dilutive shares (as of March 31, 2024)

	Number of shares	Ratio to the number of issued shares
Number of issued shares	Common shares: 44,755,768 shares Class-A shares: 10,000 shares Class-C shares: 5,000 (Note) 1	100% (Note) 2 - (Note) 2 -
Current number of dilutive shares at the current conversion price (exercise price)	Class-A shares: 25,621,317 shares Class-C shares: 12,810,658 shares	57.2% 28.6%
(Number of dilutive shares at the lowest conversion price (exercise price)	-	-
Number of dilutive shares at the highest conversion price (exercise price)	-	-

(Note) 1. As described in "I. Acquisition and Retirement of Existing Class Shares" above, the Company plans to acquire and retire all Class-A and Class-C shares at the same time as the third-party allotment on June 28, 2024.

2. As neither Class-A shares nor Class-C shares have voting rights, their ratios to the number of issued shares is not stated.

(3) Recent stock prices

[1] For the last three years

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 2024
Opening price	670 yen	367 yen	528 yen
High	964 yen	569 yen	1,657 yen
Low	311 yen	330 yen	525 yen
Closing price	370 yen	522 yen	1,633 yen

[2] For the last six months

	2023 December	2024 January	2024 February	2024 March	2024 April	2024 May
Opening price	943 yen	965 yen	1,090 yen	1,465 yen	1,640 JPY	1,457 JPY
High	1,010 yen	1,125 yen	1,456 yen	1,657 yen	1,641 JPY	1,471 JPY
Low	889 yen	937 yen	1,068 yen	1,371 yen	1,371 JPY	1,382 JPY
Closing price	980 yen	1,100 yen	1,453 yen	1,633 yen	1,457 JPY	1,415 JPY

(Note) Stock prices for May 2024 as of May 9.

[3] Stock price as of the business day preceding the issue resolution date

	May 9, 2024
Opening price	1,411 JPY
High	1,450 JPY
Low	1,393 JPY
Closing price	1,415 JPY

(4) Equity financing in the last three years

Not applicable

11. Issue description

See Attachment 1 “Class-D Share Issuance Guidelines”.

12. The schedule for the capital increase through the third-party allotment

(1) Date of resolution by the Board of Directors — Friday, May 10, 2024

(2) Date of resolution by the General Meeting of Shareholders — Thursday, June 20, 2024 (planned)

(3) Payment date for Class-D shares — Friday, June 28, 2024 (planned)

III. The Amendment of the Articles of Incorporation

1. Purpose of the proposed Amendment of the Articles of Incorporation

We will remove the provisions of the Articles of Incorporation pertaining to existing class shares due to an acquisition and retirement of existing class shares described in “I. Acquisition and Retirement of Existing Class Shares” above, and will lay down Articles of Incorporation provisions on Class-D shares anew in order to enable such shares described in “II. Capital Increase Through Third-Party Allotment” above to be issued.

The proposed Amendment of the Articles of Incorporation will be done on the condition that: i) approval is obtained for the individual proposals relating to the third-party allotment and the Amendment of the Articles of Incorporation at the General Meeting of Shareholders; ii) approval is obtained for the proposal for the Amendment of the Articles of Incorporation at the General Meeting of Class Shareholders; and iii) the acquisition and retirement of existing class shares have been completed.

2. Details of the proposed Amendment of the Articles of Incorporation

Details of the proposed Amendment of the Articles of Incorporation is as shown in Attachment 2 “Draft Amendments to the Articles of Incorporation”

3. The schedule of the proposed Amendment of the Articles of Incorporation

(1) Date of resolution by the Board of Directors — Friday, May 10, 2024

(2) The General Meeting of Shareholders and the date of the resolution on class shares by the General Meeting of Shareholders — Thursday, June 20, 2024 (planned)

(3) Effective date — Friday, June 28, 2024 (planned)

IV. Reduction in Share Capital

1. Purpose of the reduction in share capital

In accordance with the Subscription Agreement and in order to prepare for a nimble and flexible capital policy in the future, we will, after the issuance of Class-D Shares, reduce share capital and capital reserve, which will be transferred to other capital surplus constituting a distributable amount. The planned reduction of share capital and capital reserve will be done on the condition that the issuance of Class-D shares comes into effect.

2. Procedures for the reduction in share capital

(1) Amount of share capital reduction

5 billion yen

(Breakdown) An amount equivalent to an "amount of share capital increase" resulting from the issuance of Class-D shares: 5 billion yen
Share capital will be increased by 50 billion yen at the same time as the payment for Class-D shares is done, so share capital after the effective date will not be reduced from share capital prior to it.

(2) Share capital required to be reduced

5 billion yen

(Breakdown) An amount equivalent to an "amount of capital reserve increase" resulting from the issuance of Class-D shares: 5 billion yen
Capital reserve will be increased by 5 billion yen at the same time as the payment for Class-D shares is done, so capital reserve after the effective date will not be reduced from share capital prior to it.

(3) Method for reducing share capital and capital reserve

The Company will reduce stated capital and capital reserve as described above pursuant to the provisions of Article 447, paragraphs 1 through 3 and Article 448, paragraphs 1 through 3 of the Companies Act, and then will transfer the combined total amount in full to "other capital surplus."

3. Schedule for reduction in share capital

(1)	Date of resolution by the Board of Directors	Friday, May 10, 2024
(2)	Date of public notice of objection to creditors	Wednesday, May 22, 2024
(3)	Final date of public notice of objection to creditors (planned)	Friday, June 21, 2024
(4)	Effective date (planned)	Friday, June 28, 2024

4. Future outlook

The planned decrease in share capital will be done through a transfer procedure in which, under balance sheet net assets, share capital and capital reserve will be transferred to other capital surplus, so it will neither cause any change in net assets nor will it affect the Company's business performance.

V. The Syndicated Loans

1. Purpose of syndicated loans

While we had been working to reduce our existing liabilities, we decided to refinance loans due in the current fiscal year into long-term loans through a syndicate arranged by The Banks of Yokohama with the aim of securing long-term and stable funds. The Company aims for an increased soundness and stability for its financial position toward realizing MITSUBA VISION 2030 while continuing with financial transactions under the syndicated loan scheme, coupled with capital expenditures in growth fields through Class-D shares as shown in "II. Capital Increase Through Third-Party Allotment".

2. Overview of the syndicated loans

(1)	Origination amount	Total amount 50,146,200,000 yen (breakdown is as follows)
	(a) The first	31,846,200,000 Yen
	(b) The second	8,900,000,000 Yen
	(c) The third	9,400,000,000 Yen
(2)	Date of contract	Wednesday, June 26, 2024 (planned)
(3)	Date of execution	
	(a) The first	Friday, June 28, 2024 (planned)
	(b) The second	Friday, February 28, 2025 (planned)
	(c) The third	Monday, March 31, 2025 (planned)
(4)	Date of maturity	March 31, 2028 (planned)
(5)	Arranger	The Bank of Yokohama, Ltd.
(6)	Co-arranger	MUFG Bank, Ltd. and Sumitomo Mitsui Banking Corporation
(7)	Agent	The Bank of Yokohama, Ltd.
(8)	Syndicate	Nine financial institutions, including The Bank of Yokohama, Ltd., Ltd. (planned)

Attachment 1 Class-D Share Issuance Guidelines

Class-D Share Issuance Guidelines

1. Class of shares for subscription	MITSUBA Corporation Class D Stock
2. Number of shares for subscription	200 shares
3. Amount to be paid in	50 million yen per share
4. Total amount to be paid in	10 billion yen
5. Increase in share capital	5 billion yen (25 million yen per share)
6. Increase in capital reserve	5 billion yen (25 million yen per share)
7. Payment date	June 28, 2024
8. Issuing method	To be allotted to the following prospective allottees through a third-party allotment Development Bank of Japan Inc.: 100 shares The Bank of Yokohama, Ltd.: 100 shares

Details of Class-D shares

9. Dividends of surplus		
	(1) Record date of term-end dividend	The Company may pay dividends of surplus in cash (term-end dividends) to shareholders holding Class D shares stated or recorded in the final shareholder registry on the last day of each business year (hereinafter referred to as "Class D Shareholders") or registered pledgees of Class D shares (hereinafter referred to as "Class D Registered Pledgees").
	(2) Interim dividend	In addition to term-end dividends, the Company may specify a record date and pay dividends of surplus (interim dividends) in cash to Class D Shareholders or Class D Registered Pledgees stated or recorded in the final shareholder registry on such record date.
	(3) Preferred dividends	When the Company pays dividends of surplus on a record date that falls within a certain business year, the Company shall pay dividends in cash in the amount specified in 9. (4) below (hereinafter referred to as "Class D Preferred Dividends") for each Class D share to Class D Shareholders or Class D Registered Pledgees that are stated or recorded in the final shareholder register on the record date, prior to shareholders holding common shares (hereinafter referred to as "Common Shareholders") or registered pledgees of common shares (hereinafter referred to as "Common Registered Pledgees") that are stated or recorded in the final shareholder register on the record date. Provided, however, that if surplus is distributed to Class D Shareholders or Class D Registered Pledgee using a day in the business year containing the record date for the distribution of surplus that is on or before the record date for the distribution of surplus as the record date (The dividends are hereinafter referred to as "Class D Interim Preferred Dividends"), the amount shall be one less the amount of such dividends. If the Company acquires the Class D shares during the period between the record date for such dividends of surplus and the date on which such dividends of surplus is paid, the Company shall not be required to pay dividends of surplus with respect to such Class D shares on such record date.
	(4) Amount of Class D Preferred Dividends	The amount of Class D Preferred Dividends shall be the amount calculated for each share Class D Stock based on the following formula: However, the division shall be made at the end and calculated to the third decimal place below the unit of yen and rounded off to the second decimal place. The amount of Class D Preferred Dividends per share of Class D Stock shall be the amount calculated by dividing the actual number of days during the period from the first day of the business year containing the record date for the dividends of surplus (provided, however, that if the record date for the dividends of surplus belongs to the same business year as the payment date, the payment date) (including the same day) to the record date for the dividends of surplus (including the record date) by 365 days per year, with respect to the amount calculated by multiplying the total amount to be

	paid per share of Class D Stock and the unpaid Class D Preferred Dividends (defined in 9. (5) below.) (if any) after the term-end dividend for the previous business year by 7.8% per annum.
(5) Accumulation clause	If the total amount of dividends of surplus per share paid to the Class D Shareholders or Class D Registered Pledgees, with a day belonging to a business year as the record date, does not reach the Class D Preferred Dividend Amount when calculated with the last day of the relevant business year as the record date, the shortfall (hereinafter referred to as "Unpaid Class D Preferred Dividends") shall be accumulated from the following business year onward.
(6) Non-participation clause	The Company shall not pay dividends from surplus to Class D Shareholders or Class D Registered Pledgees in excess of the total amount of Class D Preferred Dividends defined in 9.(4) above.
10. Distribution of residual assets	
(1) Distribution of residual assets	When the Company distributes residual assets, it shall pay the amount defined in 10.(2) below for each share of Class D Stock to Class D shareholders or Class D Registered Pledgees prior to Common Shareholders or Common Registered Pledgees.
(2) Distribution amount of residual assets	
[1] Distribution amount of basic residual assets	The distribution amount of residual assets per share of Class D Stock shall be the amount equivalent to the basic redemption value (hereinafter referred to as "Distribution Amount of Basic Residual Assets") calculated by the basic redemption value formula (however, the "redemption request date" in the basic redemption value formula shall be applied by replacing it with the "residual assets distribution date" (the day on which residual assets are distributed; The same shall apply hereinafter.).) set forth in 12. (2) [1] below.
[2] Deduction amount	Notwithstanding 10.(2) [1] above, if there are Class D Preferred Dividends (including Class D Interim Preferred Dividends paid by the distribution date of residual assets; hereinafter referred to as "Class D Preferred Dividends Paid Before Dissolution".) paid by the distribution date of residual assets, the distribution amount of residual assets for each share of Class D Stock shall be the amount obtained by deducting the amount equivalent to the deduction amount calculated in accordance with the deduction amount formula set forth in 12.(2) [2] below (however, the "redemption date" and "Class D Preferred Dividends paid before redemption demand" in the deduction amount formula shall be applied by replacing them with "distribution date of residual assets" and "Class D Preferred Dividends Paid Before Dissolution," respectively) from the distribution amount of basic residual assets set forth in 10.(2) [1] above. If Class-D Preferred Dividends Paid Before Dissolution are paid on multiple occasions, the amount equivalent to a subtraction value will be calculated for each of Class-D Preferred Dividends Paid Before Dissolution, and the combined total amount will be subtracted from the distribution amount of basic residual assets specified in 10.(2) [1] above.
(3) Non-participation clause	No distribution of residual assets shall be made to Class D Class Shareholders or Class D Registered Pledgees in addition to the above.
11. Voting rights	The Class D Shareholders shall not have voting rights at any general meeting of shareholders unless otherwise provided for by laws and regulations.
12. Acquisition rights for cash (Right to demand redemption)	
(1) Details of right to demand redemption	Class D Shareholders may at any time demand (hereinafter referred to as "Redemption Demand") the Company acquire shares of Class D Stock in exchange for money. In this case, the Company shall, in exchange for the acquisition of one share of Class D Stock, pay to the Class D Shareholders cash in the amount specified in 12.(2) below (provided, however, that the division shall be performed at the end and the amount shall be calculated to the third decimal place in yen units and rounded off to the second decimal place; hereinafter referred to as the "Redemption Value"), to the extent legally possible, up to the amount available for distribution prescribed in Article 461, Paragraph (2) of the Companies Act as of the date of the Redemption Demand (hereinafter referred to as the "Redemption Demand Date"). If the Redemption Demand is made in excess of the amount available for distribution as of the Redemption Demand Date, shares of Class D Stock to be acquired shall be determined by the Company's Board of Directors by lottery or pro rata allocation according to the

		number of shares of Class D Stock for which the Redemption Demand was made or any other method.
	(2) Redemption value	
	[1] Basic redemption value	Redemption Value per share of Class D Stock shall be the amount calculated by the following calculation formula (hereinafter referred to as the "Basic Redemption Value"). (Basic redemption value calculation formula) Basic Redemption Value = 50 million yen × $(1+ 0.078)^{m+n/365}$ The number of days in the period from the payment date (including the date) to the Redemption Demand Date (including the date) shall be "m years and n days."
	[2] Deduction amount	Notwithstanding 12.(2) [1] above, redemption value per share of Class-D Share will be an amount to be calculated by deducting a value to be calculated by the following calculation formula from a Basic Redemption Value specified in 12.(2) [1] above in cases where any Class-D preferred dividends (including interim preferred dividends paid prior to a redemption demand date; hereinafter referred to as "Class-D Preferred Dividends Paid Before Redemption Demand") are paid prior to the Redemption Demand. If Class-D Preferred Dividends Paid Before Redemption Demand are paid on multiple occasions, a subtraction value will be calculated for each of Class-D Preferred Dividends Paid Before Redemption Demand, and the combined total amount will be subtracted from the basic redemption value specified in 12.(2) [1] above. (Calculation formula for subtraction value) Subtraction value = Class-D preferred dividend paid prior to a redemption demand × $(1+0.078)^{x+y/365}$ The number of days from the payment date for Class-D Preferred Dividends Paid Before Redemption Demand (including the date) to the redemption demand date (including the date) will be shown as "x years and y days."
	(3) Place for receiving redemption demand	1- 2681 Hirosawa-cho, Kiryu City, Gunma MITSUBA Corporation
	(4) Effectuation of redemption demand	Redemption demand becomes effective when the written demand arrives at the place for receiving redemption demand.
13. Acquisition clause for cash consideration (compulsory redemption)		
	(1) Details of compulsory redemption	Notwithstanding the intentions of Class D Shareholders or Class D Registered Pledgees, the Company may at any time, upon the arrival of a date separately determined by the Company's Board of Directors (hereinafter referred to as the "Compulsory Redemption Date"), deliver to Class D Shareholders or Class D Registered Pledgees, cash in the amount specified in 13. (2) below (hereinafter referred to as the "Compulsory Redemption Value"), up to the amount available for distribution on such date, in exchange for the Company acquiring all or part of shares of Class D Stock (The acquisition of shares of Class D Stock under this provision is hereinafter referred to as "Compulsory Redemption."). When a part of shares of Class D Stock is to be acquired, the shares of Class D Stock to be acquired shall be determined by the Company's Board of Directors by lottery, pro rata allocation or any other method.
	(2) Compulsory redemption value	
	[1] Basic compulsory redemption value	The Compulsory Redemption Value per share of Class D Stock shall be the amount equivalent to the basic redemption value (hereinafter referred to as the "Basic Compulsory Redemption Value") calculated by the basic redemption value formula (however, the "redemption demand date" in the basic redemption value formula shall be applied by replacing it with the "Compulsory Redemption Date.") set forth in 12(2) [1] above.
	[2] Deduction amount	Notwithstanding 13.(2) [1] above, if there are Class D Preferred Dividends (including Class D Interim Preferred Dividends paid by the Compulsory Redemption Date; hereinafter referred to as "Class D Preferred Dividends Paid Before Compulsory Redemption") paid by the Compulsory Redemption Date, the Compulsory Redemption Value for each share of Class D Stock shall be the amount obtained by deducting the amount equivalent to the deduction amount calculated in accordance with the deduction amount formula set forth in 12.(2) [2] above (however, the "redemption date" and "Class D Preferred Dividends paid before redemption demand"

	in the deduction amount formula shall be applied by replacing them with "Compulsory Redemption Date" and "Class D Preferred Dividends Paid Before Compulsory Redemption," respectively) from the Basic Compulsory Redemption Value set forth in 13.(2) [1] above. If the Class-D Preferred Dividends Paid Prior to Compulsory Redemption are paid on multiple occasions, the amount equivalent to the deduction amount shall be calculated for each of Class-D Preferred Dividends Paid Prior to Compulsory Redemption, and the combined total amount shall be deducted from the Basic Compulsory Redemption Value set forth in 13.(2) [1] above.
14. Acquisition rights for common shares (Right to demand conversion)	
(1) Details of right to demand conversion	Class D Shareholders may at any time, to the extent legally possible, demand the Company to deliver to the Class D Shareholders, in exchange for the Company's acquisition of all or part of shares of Class D Stock, the number of shares of the Company's common stock calculated by the calculation method set forth in 14.(2) below (hereinafter referred to as the "Conversion Demand," and the date on which the Conversion Demand was made shall be referred to as the "Conversion Demand Date."). If the number of shares of common stock to be delivered to Class D Shareholders is calculated in accordance with the calculation method set forth in 14.(2) below, any fraction of less than one share shall be rounded down. The Company shall not be required to deliver the cash specified in Article 167, Paragraph (3) of the Companies Act to the Class D Shareholders who made the Conversion Demand upon the rounding down of such fraction.
(2) Method of calculating the number of shares of common stock to be delivered upon Conversion Demand.	[1] The number of common shares to be delivered by the Company to Class D Shareholders as consideration shall be calculated in the manner set forth below. However, rounding down of fractions shall be done at the end, and any fraction less than one share in the number of common shares to be delivered to Class D Shareholders shall be rounded down, and no adjustment in cash shall be made. (Calculation formula) Number of common shares of the Company to be delivered in exchange for the acquisition of shares of Class D Stock = Number of shares of Class D Stock demanded by Class D Shareholders to be acquired × Amount equivalent to Basic Redemption Value set forth in Article 12.(2) [1] above less the amount equivalent to deduction amount set forth in 12.(2) [2] above (however, the amount equivalent to Basic Redemption Value and the amount equivalent to deduction amount shall be calculated by replacing the "Redemption Demand Date" with the "Conversion Demand Date " and replacing the "Class D Preferred Dividends Paid Before Redemption Demand" with the "Class D Preferred Dividends Paid Before Conversion Demand" (meaning the amount of Class D Preferred Dividends paid by the Conversion Demand Date (including the Class D Preferred Interim Dividends paid by the Conversion Demand Date)) in the basic redemption value formula and the deduction amount formula ÷ Conversion value [2] Conversion value a. Initial conversion value The initial conversion value shall be 1,344 yen. b. Revision of the conversion value The conversion value shall be adjusted on the last day of June and the last day of December of each year after the last day of December 2024 (hereinafter individually or collectively referred to as "Conversion Value Revision Date") to the amount equal to 95% of the market price on the Conversion Value Revision Date (hereinafter referred to as "Revised Conversion Value"). However, if the Revised Conversion Value is less than 708 yen (hereinafter referred to as "Minimum Conversion Price"), the Revised Conversion Value shall be the Minimum Conversion Value. If the Conversion Value is adjusted in accordance with (c) below, the Minimum Conversion Value shall be adjusted in the same manner.

		The above "market price" shall be the average value (excluding the days with no closing price; it shall be calculated to the second decimal place below the unit of yen and rounded off to the first decimal place) of the daily closing price (including quotes) of the common shares of the Company in ordinary trading on the Tokyo Stock Exchange, Inc. (hereinafter referred to as "TSE") for 30 trading days commencing on the 45th trading day preceding such Conversion Value Revision Date. c. Adjustment of the conversion value (a) If, after the issuance of shares of Class D Stock, the number of common shares is or may be changed for any of the reasons listed in (b) below, the Company shall adjust the conversion value (including the Revised Conversion Value in accordance with (b) above) by the formula set forth below (hereinafter referred to as "Conversion Value Adjustment Formula"). Adjusted conversion value = Unadjusted conversion value × (Number of common shares outstanding + (Number of common shares delivered × paid-in amount per share) ÷ Market price) ÷ (Number of common shares outstanding + Number of common shares delivered) The "Number of common shares outstanding" used in the Conversion Value Adjustment Formula shall be the number of outstanding common shares of the Company less the number of common shares held by the Company if a record date for each of the transactions in (b)(i) through (iv) below is set for the Common Shareholders, on that date, or, if no such record date is set, on the date one month before the date on which the adjusted conversion value is to be applied as of such date, plus the number of common shares deemed to be the number of ordinary shares to be delivered under (b) or (d) below before such conversion value adjustment that have not yet been delivered. The "Number of common shares to be delivered" used in the Conversion Value Adjustment Formula shall be the number of common shares to be increased by the stock split (not including the number of common shares increased with respect to the common shares held by the Company on the record date) if a stock split of common shares is carried out, and if a consolidation of common shares is carried out, the number of common shares to be reduced by the consolidation of shares (not including the number of common shares decreased with respect to the common shares held by the Company on the effective date) shall be indicated as a negative value and used. The "Paid-in amount per share" used in the Conversion Value Adjustment Formula shall be the amount to be paid in the case of (b)(i) below (it shall be appropriate appraisal value of the property in the case where property other than cash is the subject of the contribution; it shall be zero yen in the case of the allotment without contribution), shall be zero yen in the case of (b)(ii) and (iv) below, and in the case of (b)(iii) below, it shall be the amount obtained by dividing the amount paid in or otherwise paid in consideration upon delivery of the Shares with Put Option, etc. (defined in (b)(iii) below) (in the case of share options for which the delivery of common shares may be requested for consideration that falls below the market price, it shall be the amount plus the amount of the properties to be contributed upon exercise of the share option) less the value of properties other than common shares delivered to the holder of Shares with Put Option, etc. upon acquisition, conversion, exchange, or exercise thereof by the number of common shares to be delivered upon acquisition, conversion, exchange, or exercise thereof (hereinafter referred to as "Consideration" in (b)(iii) below. (b) When the conversion value of shares of Class D Stock is adjusted by the Conversion Value Adjustment Formula and the time of application of the adjusted conversion value shall be as set forth below. (i) In the case of delivering the common shares at a paid-in amount that falls below the market price set forth in (c)(ii) (including a case of allotment without consideration) (however, excluding the case of delivery in exchange for acquisition of shares with put option, shares subject to call,

		or share options subject to call delivered by the Company (including those attached to bonds with share options; the same shall apply in this c) or the case of delivery upon acquisition, conversion, exchange, or exercise of share options (including those attached to bonds with share options; the same shall apply in this c) or other securities or rights for which the delivery of common shares may be requested for consideration) The adjusted conversion value shall be applied on or after the payment date (If a payment period is provided for the solicitation, it shall be the last day of the payment period. The same shall apply hereinafter) or the day following the effective date of allotment without contribution. However, if there is a record date for granting the Company's Common Shareholders the right to receive allotment of shares for subscription, or for allotment without contribution, it shall be applied from the day following such date. (ii) In the case of a stock split of common shares The adjusted conversion value shall be applied on and after the day following the record date for the stock split of common shares. (iii) In the case of delivering shares with put option, shares subject to call, or share options subject to call for which there are provisions to deliver common shares at a price that falls below the market price set forth in (c)(ii) below in exchange for the acquisition (including a case of allotment without consideration), or in the case of delivery of share options or other securities or rights for which the delivery of common shares may be requested for consideration that falls below the market price set forth in (c)(ii) below (including a case of allotment without consideration) The adjusted conversion value shall be calculated by applying the Conversion Value Adjustment Formula mutatis mutandis, deeming that all of the shares with put option, shares subject to call, share options subject to call or share options, or other securities or rights (hereinafter referred to as "Shares with Put Option, etc.") to be delivered were acquired, converted, exchanged, or exercised and common shares were delivered under the initial conditions, and shall be applied from the day after the date of delivery or the effective date of allotment without consideration. However, if there is a record date for granting the Common Shareholders the right to receive allotment of Shares with Put Option, etc., or for allotment without contribution, it shall be applied from the day following such date. Notwithstanding the foregoing, if the consideration for the common shares to be delivered upon the acquisition, conversion, exchange, or exercise is not fixed at the time stated above, the adjusted conversion value shall be calculated by applying the Conversion Value Adjustment Formula mutatis mutandis, deeming that all of the Shares with Put Option, etc. delivered at the time such consideration is fixed are acquired, converted, exchanged, or exercised and common shares are delivered under the conditions as of the time such consideration is fixed and the conversion value adjustment formula shall be applied on or after the day following the day on which the consideration is fixed. (iv) In the case of consolidation of common shares The adjusted conversion value shall be applied on or after the effective date of share consolidation. (c) (i) The Conversion Value Adjustment Formula shall be calculated to the second decimal place below the unit of yen, and such decimal place shall be rounded down. (ii) The market price used in the Conversion Value Adjustment Formula shall be the average value (excluding the days with no closing price; it shall be calculated to the second decimal place and rounded off to the first decimal place) of the daily closing price (including quotes) of the common shares of the Company in ordinary trading on the TSE for 30 trading days commencing on the 45th trading day preceding the date on which the adjusted conversion value is applied. (d) In addition to the cases that require adjustment of the conversion value set forth

		in (b) above, the Company shall make the necessary adjustment of the conversion value if the Company's Board of Directors reasonably determines that any of the following cases applies: (i) When adjustment of the conversion value is necessary due to a merger in which the Company is the surviving company, or the succession of all or part of the rights and obligations of another company in an absorption-type company split carried out by such company, or the acquisition of all the shares outstanding of another company in a share exchange carried out by such stock company; (ii) When two or more events for adjusting the conversion value occur closely in time, and it is necessary, with regard to the market price to be used in calculating the adjusted conversion value based on one of the events, to consider the effect of the other events; or (iii) Other cases where the conversion value needs to be adjusted due to the occurrence of a change or an event that may cause a change in the number of common shares outstanding. (e) If the difference between the adjusted conversion value calculated by the Conversion Value Adjustment Formula and the unadjusted conversion value is less than one yen, the adjustment of the conversion value shall not be made. However, adjustments that have become unnecessary pursuant to the above (e) will be carried forward and taken into account in the subsequent adjustment calculations. (f) If the Company adjusts the conversion value pursuant to (a) through (e) above, the Company shall notify each Class D Shareholder listed in the shareholders registry in writing in advance of such fact, reasons therefor, the conversion value before adjustment, the adjusted conversion price, the date of application, and other necessary matters. However, if the above notice cannot be given by the day preceding the date of application, it shall be given promptly after the date of application.
	(3) Place for receiving conversion demand	1-4-5 Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation
	(4) Effectuation of conversion demand	Conversion demand becomes effective when the written demand arrives at the place for receiving conversion demand.
15. Consolidation or split of shares		Except as otherwise provided for by laws and regulations, there shall be no consolidation or split of shares with respect to Class D Stock. Class D Shareholders shall not be entitled to the allotment of shares for subscription or share options for subscription, and the allotment of shares or share options without contribution shall not be made.
16. Transfer restrictions		Acquisition of shares of Class D Stock by transfer is subject to approval by the Board of Directors.

Attachment 2: Draft Amendments to the Articles of Incorporation

Draft Amendments to the Articles of Incorporation

(Underlines indicate changes.)

Current Articles of Incorporation	Draft Amendments to the Articles of Incorporation
(Total Number of Authorized Shares and Total Number of Authorized Class Shares) Article 5 The total number of authorized shares of the Company shall be 150 million. The total number of authorized class shares of the Company shall be as follows for each class of shares: Common shares 150 million shares Class A shares 15,000 shares Class B shares 6,000 shares Class C shares 5,000 shares	(Total Number of Authorized Shares and Total Number of Authorized Class Shares) Article 5 The total number of authorized shares of the Company shall be 150 million. The total number of authorized class shares of the Company shall be as follows for each class of shares: Common shares 150 million shares Class D shares 200 shares
(Number of Shares per Unit) Article 6 The number of shares constituting one unit of shares of common stock of the Company shall be 100 shares, and the number of shares constituting one unit of Class A shares, Class B shares, and Class C shares shall be one share each.	(Number of Shares per Unit) Article 6 The number of shares constituting one unit of shares of common stock of the Company shall be 100 shares, and the number of shares constituting one unit of Class D shares shall be one share.
Chapter II-2 Class A Shares (Class A Preferred Dividends) Article 11-2 When the Company pays a dividend of surplus based on a record date that belongs to a business year, such payment shall be made, according to the order of priority of the payment set forth in Article 11-10, paragraph 1, in the amount specified in paragraph 2 for each Class A share (the money to be paid per Class A share as a result of such dividend shall be hereinafter referred to as "Class A Preferred Dividends") to shareholders holding Class A shares (hereinafter referred to as "Class A Shareholders") or registered pledgees of Class A shares (hereinafter referred to as "Class A Shareholders, etc." together with Class A Shareholders) who are stated or recorded in the final shareholder registry as of the record date for the distribution of such surplus (hereinafter referred to as "Dividend Record Date"). If the amount obtained by multiplying the Class A Preferred Dividends by the number of Class A shares to which each of the Class A Shareholders, etc. has rights includes a fraction of less than one yen, such fraction shall be rounded down.	Chapter II-2 Class D Shares (Class D Preferred Dividends) Article 11-2 When the Company pays a year-end dividend of surplus in accordance with the provisions of Article 40, paragraph 2, such dividend shall be paid to shareholders holding Class D shares (hereinafter referred to as "Class D Shareholders") or registered pledgees of Class D shares (hereinafter referred to as "Class D Share Registered Pledgees"; hereinafter referred to as" Class D Shareholders, etc." together with Class D Shareholders) who are stated or recorded in the final shareholder registry as of the record date for the relevant year-end dividend, before the shareholders holding common shares (hereinafter referred to as "Common Shareholders") or registered pledgees of common shares (hereinafter referred to as "Common Share Registered Pledgees"; hereinafter referred to as "Common Shareholders, etc." together with Common Shareholders) who are stated or recorded in the final shareholder registry as of the same date, as Class D Preferred Dividends per Class D Share, in the amount calculated by pro-rating, with one year being 365 days, the amount of money calculated by multiplying the sum of the amount to be paid in for Class D shares and the Unpaid Class D Preferred Dividends (as defined in the following paragraph) after the year-end dividend for the previous business year (if any) by 7.8% per annum, for the actual number of days during the period from the first day of the business year that includes the record date for the relevant year-end dividend (however, if the record date for the relevant dividend of surplus belongs to the same business year as the payment date, it shall be the payment date) (including the same day) to the record date for the dividend of such surplus (including the same day) (hereinafter referred to as "Class D Preferred Dividend Amount") (however, the division shall be made at the end and calculated to the third decimal place below the unit of yen and rounded off to the second decimal place). However, in the business year containing the record date of the

	year-end dividends, if the Class D Preferred Interim Dividends set forth in Article 11-3 have been paid, the amount obtained by deducting the total amount thereof shall be paid. If the Company acquires the Class D shares during the period between the record date for such year-end dividend and the date on which such year-end dividend is paid, the Company shall not be required to pay a year-end dividend pertaining to such record date with respect to such Class D shares.
2. The amount of the Class A Preferred Dividends shall be calculated by pro-rating, with one year being 365 days (however, 366 days when the business year includes a leap day), the amount of money calculated by multiplying 1,000,000 yen (hereinafter referred to as "Amount Equivalent to Paid-in Amount" in this Chapter) by 6.0%, for the actual number of days during the period from the first day of the business year that includes the relevant Dividend Record Date (however, in the case where such day belongs to the business year ended on the last day of March 2021, the date of issuance of Class A shares) (including the same day) to the relevant Dividend Record Date (including the same day) (the division shall be made at the end and calculated to the second decimal place below the unit of yen, rounded to the first decimal place). However, if surplus is distributed to the Class A Shareholders, etc. on the basis of a record date prior to the relevant Dividend Record Date during the business year containing the relevant Dividend Record Date, the amount of Class A Preferred Dividends pertaining to the relevant Dividend Record Date shall be the amount obtained by deducting the total amount of Class A Preferred Dividends paid for each such distribution.	2. If in a business year, the total amount of surplus per share paid to the Class D Shareholders, etc., does not reach the Class D Preferred Dividend Amount when calculated with the last day of the relevant business year as the record date, the shortfall (hereinafter referred to as "Unpaid Class D Preferred Dividends") shall be accumulated from the following business year onward.
3 The Company shall not pay dividends of surplus to the Class A Shareholders, etc. in excess of the amount of Class A Preferred Dividends and the Amount Equivalent to Class A Cumulative Unpaid Dividends (as defined in paragraph 4). However, this shall not apply to the distribution of surplus prescribed in Article 758, item (viii), (b) or Article 760, item (vii), (b) of the Companies Act made as part of the absorption-type company split procedures conducted by the Company, or the distribution of surplus prescribed in Article 763, paragraph (1), item (XII), (b) or Article 765, paragraph (1), item (viii), (b) of the Companies Act made as part of the incorporation-type company split procedures conducted by the Company.	3. The Company shall not pay dividends from surplus to Class D Shareholders, etc., in excess of the total amount of Class D Preferred Dividends.
4. In the case where the total amount of dividends of surplus per share made to Class A Shareholders, etc. on the basis of the record date that belongs to a business year (excluding the dividend in the Amount Equivalent to Class A Cumulative Unpaid Dividends (as defined below) accumulated in accordance with this paragraph with respect to Class A Preferred Dividends pertaining to each business year prior to that business year) does not reach the amount of Class A Preferred Dividends pertaining to that business year (meaning the amount of Class A Preferred Dividends to be calculated in accordance with paragraph 2 in the case where a dividend of surplus is assumed to be paid with the last day of the that business year as the record date; however, the provisions of the proviso to paragraph 2 shall not be applied in such calculation), the shortfall shall be accumulated in the business year immediately following	(Deleted)

that business year (hereinafter referred to as "Business Year with the Shortfall" in this paragraph) and the subsequent business years. The accumulated amount, in this case, shall be the amount obtained by adding the amount calculated by compounding annually at an interest rate of 6.0% per annum in each business year following the Business Year with the Shortfall and thereafter (however, for the first year, the period from the day following the ordinary general meeting of shareholders for the Business Year with the Shortfall (hereinafter referred to as "Ordinary General Meeting of Shareholders for the Business Year with the Shortfall" in this paragraph) (including the same day) to the last day of the business year following the Business Year with the Shortfall (including the same day)) from the day (including the same day) following the Ordinary General Meeting of Shareholders for the Business Year with the Shortfall until the day when the accumulated amount is distributed to the Class A Shareholders, etc. (including the same day). Such calculation shall be made on a pro-rata daily basis, with one year being 365 days (or 366 days if the relevant business year includes a leap day), and the division shall be made at the end and calculated to the second decimal place below the unit of yen, rounded to the first decimal place. The amount accumulated in accordance with this paragraph (hereinafter referred to as "Amount Equivalent to Class A Cumulative Unpaid Dividends") shall be distributed to the Class A Shareholders, etc. in the order of priority of the payment set forth in Article 11-10, paragraph 1. If the amount obtained by multiplying the Amount Equivalent to Class A Cumulative Unpaid Dividends to be distributed by the number of Class A shares to which each of the Class A Shareholders, etc. has rights includes a fraction of less than one yen, such fraction shall be rounded down.

(Class A Preferred Dividends)

Article 11-3 When the Company distributes residual assets, it shall pay, per Class A share, to Class A Shareholders, etc. the amount obtained by adding the Amount Equivalent to Class A Cumulative Unpaid Dividend and the Daily Unpaid Preferred Dividends set forth in paragraph 3 to the Amount Equivalent to Paid-in Amount (hereinafter referred to as "Class A Residual Asset Distribution Amount"), according to the order of priority of the payment set forth in Article 11-10, paragraph 2. However, in this paragraph, if the day on which the distribution of residual assets is made (hereinafter referred to as "Distribution Date" in this Chapter) falls between the day following a Dividend Record Date (including the same day) and the time at which the dividend of surplus is paid based on such Dividend Record Date, the Amount Equivalent to Class A Cumulative Unpaid Dividends shall be calculated, deeming that dividend of surplus based on such Dividend Record Date is not paid. If the amount obtained by multiplying the Class A Residual Asset Distribution Amount by the number of Class A shares to which each of the Class A Shareholders, etc. has rights includes a fraction of less than one yen, such fraction shall be rounded down.

(Class D Preferred Interim Dividends)

Article 11-3 When the Company pays dividends of surplus (hereinafter referred to as "Interim Dividend") with a record date other than the last day of the business year (hereinafter referred to as "Record Date for Interim Dividend") in accordance with the provisions of Article 40, paragraphs 2 and 3, the Company shall pay, per Class D Share, to the Class D Shareholders, etc. who are stated or recorded in the final shareholder registry as of the Record Date for Interim Dividend, before the Common Shareholders, etc., the dividend of surplus in cash in the amount calculated by, after multiplying the total of the amount to be paid in for the Class D shares and the Unpaid Class D Preferred Dividends (if any) after the year-end dividend for the previous business year by 7.8% per annum, dividing the resulting amount by 365 days (however, the division shall be made at the end and calculated to the third decimal place below the unit of yen and rounded off to the second decimal place) for the actual number of days during the period from the first day of the business year that includes the Record Date for Interim Dividend (however, if the Record Date for Interim Dividend belongs to the same business year as the payment date, it shall be the payment date) (including the same day) to the Record Date for Interim Dividend (including the same day) (hereinafter referred to as "Class D Preferred Interim Dividends"). However, in the business year containing the Record Date for Interim Dividend, if the Class D Preferred Interim Dividends set forth in this Article

	have been paid during the period up to the relevant Interim Dividend, it shall be the amount obtained by deducting the total amount thereof. If the Company acquires the Class D Shares during the period between the Record Date for Interim Dividend and the date on which such Interim Dividend is paid, the Company shall not be required to pay an Interim Dividend pertaining to the Record Date for Interim Dividend with respect to such Class D Shares.
2. No distribution of residual assets shall be made to the Class A Shareholders, etc. in addition to the provisions of the preceding paragraph.	(Deleted)
3. The Daily Unpaid Preferred Dividends per Class A share shall be the amount equivalent to the Class A Preferred Dividends calculated in accordance with Article 11-2, paragraph 2 (hereinafter, in this Chapter, the daily unpaid preferred dividends per Class A share shall be referred to as "Daily Unpaid Preferred Dividends") assuming that the Class A Preferred Dividends are paid in the business year containing the Distribution Date with such Distribution Date as the record date.	(Deleted)
(Voting Rights) Article 11-4 The Class A Shareholders shall not have voting rights at any general meeting of shareholders unless otherwise provided for by laws and regulations.	(Distribution of Residual Assets) Article 11-4 When the Company distributes residual assets, the Company shall distribute, per Class D share, to Class D Shareholders, etc. before the Common Shareholders, etc. the amount equivalent to the basic redemption price set forth in paragraph 2 of the following Article less the amount equivalent to the deduction amount (however, the amount equivalent to basic redemption price and the amount equivalent to the deduction amount shall be calculated in the basic redemption price formula and the deduction amount formula by replacing the "Class D Redemption Claim Date" with the "Residual Asset Distribution Date" (meaning the date on which the distribution of the residual assets is made; the same shall apply hereinafter) and replacing the "Class D Preferred Dividends paid before redemption claim" with the "Class D Preferred Dividends paid before dissolution" (meaning the amount of Class D Preferred Dividends paid during the period up to the Residual Assets Distribution Date (including the Class D Preferred Interim Dividends paid during the period up to the Residual Assets Distribution Date)). If the Class D Preferred Dividends paid before dissolution have been paid more than once, the amount equivalent to the deduction amount shall be calculated for each of the Class D Preferred Dividends paid before dissolution, and the total of these amounts shall be deducted from the amount equivalent to basic redemption price.
(Newly established)	2. No distribution of residual assets shall be made to Class D Shareholders, etc. in addition to the preceding paragraph.
(Right to Claim Acquisition of Common Share Consideration) Article 11-5 A Class A Shareholder may, at any time on and after the date of issuance of Class A shares, request that the Company acquire all or part of the Class A shares that they hold (hereinafter referred to as "Claim for Acquisition of Common Share Consideration" in this Chapter) in exchange for the delivery of the number of common shares set forth in paragraph 2 (hereinafter referred to as "Common Shares Subject to Claim" in this	(Right to Claim Acquisition of Cash Consideration) Article 11-5 A Class D Shareholder may at any time request that the Company deliver cash in exchange for the acquisition of all or part of their Class D Shares (hereinafter referred to as "Class D Redemption Claim") to the extent possible under the laws and regulations, up to the distributable amount prescribed in Article 461, paragraph 2 of the Companies Act. When such claim (hereinafter, the date on which the Class D Redemption Claim was made is referred to as "Class D Redemption Claim Date") is made, the Company shall carry out acquisition procedures in

paragraph), and the Company shall deliver the Common Shares Subject to Claim to such Class A Shareholder to the extent permitted by laws and regulations in exchange for the acquisition of the Class A shares pertaining to such Claim for Acquisition of Common Share Consideration.

2. The number of common shares to be delivered in exchange for the acquisition of Class A shares shall be the number obtained by, after multiplying the sum of the Amount Equivalent to Paid-in Amount per Class A share, the Amount Equivalent to Class A Cumulative Unpaid Dividends, and the Daily Unpaid Preferred Dividends by the number of the Class A shares pertaining to Claim for Acquisition of Common Share Consideration, dividing the resulting amount by the acquisition price set forth in paragraphs 3 and 4. In this Article, the "Distribution Date" in the calculation of the amount of Daily Unpaid Preferred Dividends shall be replaced with the "effective date of Claim for Acquisition of Common Share Consideration" to calculate such amount. In addition, if the total number of common shares to be delivered in exchange for the acquisition of the Class A shares pertaining to the Claim for Acquisition of Common Share Consideration includes a fraction of less than one share, such fraction shall be rounded off, and in this case, the money specified in Article 167, paragraph (3) of the Companies Act shall not be delivered.

3. The initial acquisition price shall be the greater of (a) or (b) below:

(a) 390.3 yen

(b) Value obtained (it shall be calculated to the second decimal place below the unit of yen and rounded off to the first decimal place) by multiplying the average value of the volume weighted average price (hereinafter referred to as "VWAP") of the ordinary trading of the Company's common shares as announced by the Tokyo Stock Exchange, Inc. (hereinafter referred to as "Tokyo Stock Exchange") for the 20 consecutive trading days preceding July 15, 2020 and the 20 consecutive trading days following July 15, 2020 (July 15, 2020 is not inclusive) by 0.9; the "trading day" means a day on which ordinary trading of the Company's common shares is conducted on the Tokyo Stock Exchange, and shall not include the days on which VWAP is not

accordance with the provisions of laws and regulations. If a redemption claim is made in excess of the amount available for distribution on the Class D Redemption Claim Date and only a portion of the claimed Class D shares can be acquired, the number of shares to be acquired shall be determined on a pro-rata basis, by lot, or by other reasonable method determined by the Board of Directors.

2. The acquisition price per Class D share shall be calculated by deducting the deduction amount from the basic redemption price, and these amounts shall be calculated by the following formula. However, the division shall be made at the end and calculated to the third decimal place below the unit of yen and rounded off to the second decimal place. If the Class D Preferred Dividends paid before redemption claim specified in the formula below are paid more than once, the deduction amount shall be calculated for each of the Class D Preferred Dividends paid before redemption claim, and the total of these amounts shall be deducted from the basic redemption price.

(Basic redemption price calculation formula)

Basic redemption price

$= 50 \text{ million yen} \times (1+0.078)^{m+n/365}$

The number of days in the period from the payment date (including the same date) to the Class D Redemption Claim Date (including the same date) is "m years and n days," and "m+n/365" represents the index of "(1+0.078)."

(Calculation formula for deduction amount)

Deduction amount = Class D Preferred Dividends paid before redemption claim $\times (1+0.078)^{x+y/365}$

The "Class D Preferred Dividends paid before redemption claim" shall be the amount of the Class D Preferred Dividends paid on or after the payment date (including Class D Preferred Interim Dividends paid during the period up to the Class D Redemption Claim Date).

The number of days from the payment date of the Class D Preferred Dividends paid before redemption claim (including the same day) to the Class D Redemption Claim Date (including the same day) is "x years and y days," and "x+y/365" represents the index of "(1+0.078).

3. A Class D Redemption Claim under paragraph 1 of this Article shall become effective when the written claim for such redemption pertaining to the Class D shares arrives at the Company's head office.

announced. 4. Adjustment of Acquisition Price (a) If any of the following events occur, the acquisition price shall be adjusted as follows: [1] In the case of a share split or allotment of shares without contribution with respect to common shares, the acquisition price shall be adjusted according to the following formula. In the case of allotment of shares without contribution, in the following formula, the "Number of common shares outstanding before split" shall be replaced with the "Number of common shares outstanding before allotment without contribution (excluding, however, common shares held by the Company at the time)" and the "Number of common shares outstanding after split" shall be replaced with the "Number of common shares outstanding after allotment without contribution" (excluding common shares held by the Company at that time)" respectively. [Formula] Adjusted acquisition price = A × B ÷ C A = Unadjusted acquisition price B = Number of common shares outstanding before split C = Number of common shares outstanding after split The adjusted acquisition price shall be applied on or after the day following the record date pertaining to the split of shares or on or after the effective date of the allotment of shares without contribution (in cases where the record date pertaining to the allotment of shares without contribution is specified, the day following said record date). [2] In the case of a consolidation of common shares, the acquisition price shall be adjusted according to the following formula: [Formula] Adjusted acquisition price = A × B ÷ C A = Unadjusted acquisition price B = Number of common shares outstanding before consolidation C = Number of common shares outstanding after consolidation The adjusted acquisition price shall be applied on or after the effective date of share consolidation. [3] If the Company issues common shares or disposes of common shares held by the Company at a paid-in amount that falls below the market price per common share specified in (d) below (in the case of allotment of shares without contribution, excluding cases of acquisition of shares or share options (including those attached to bonds with share options; hereinafter the same shall apply in this paragraph) acquired in exchange for the delivery of common shares, exercise of share options for common shares, or delivery of common shares due to merger, share exchange, or company split), the acquisition price shall be adjusted in accordance with the following formula (hereinafter referred to as "Acquisition Price Adjustment Formula" in this paragraph). The "Paid-in amount per share" in the Acquisition Price Adjustment Formula shall be the appropriate appraisal value of the property when property other than money is the subject of the	(Deleted)

contribution. The adjusted acquisition price shall be applied on or after the day following the payment date (the last day of the payment period, if a payment period is specified), or if a record date for allotment to shareholders is specified, on or after the day following such record date (hereinafter referred to as "Shareholder Allotment Date" in this paragraph). In the cases where the Company disposes of common shares that it holds, the "Number of common shares to be newly issued" and the "Number of common shares held by the Company" in the following formula shall be replaced with the "Number of common shares held by the Company to be disposed" and the "Number of common shares held by the Company before disposition" respectively.

Adjusted acquisition price = A × (B - C + D × E ÷ F) ÷ (B - C + D)

A = Unadjusted acquisition price

B = Number of common shares outstanding

C = Number of common shares held by the Company

D = Number of common shares to be newly issued

E = Paid-in amount per share

F = Market price per common share

[4] If the Company issues or disposes of shares for which the delivery of common shares may be taken at an acquisition price per common share that falls below the market price per common share specified in (d) below (including the case of allotment of shares without contribution) by causing the Company to acquire or by being acquired by the Company, the adjusted acquisition price shall be the amount calculated by applying such price to "Paid-in amount per share" in the Acquisition Price Adjustment Formula, deeming that all of the shares to be issued or disposed of are acquired under the initial conditions and common shares are delivered on the payment date for such shares (or, if a payment period is specified, the last day of such payment period; the same shall apply hereinafter in this [4]), in the case of the allotment of shares without contribution, on the day when it takes effect (if a record date for the allotment of shares without contribution is specified, on such record date; the same shall apply hereinafter in this [4]) or if there is a Shareholder Allotment Date, on such date. The adjusted acquisition price shall be applied on or after the day following the payment date, or in the case of an allotment of shares without contribution, on or after the day following the day on which such allotment takes effect, or if there is a Shareholder Allotment Date, on or after the day following such date. Notwithstanding the foregoing, if the consideration for the common shares to be delivered upon the acquisition is not fixed at the time stated above, the adjusted acquisition price shall be calculated, deeming that all of the shares to be issued or disposed of at the time such consideration is fixed are acquired and common shares are delivered under the conditions as of the time such consideration is fixed and the adjusted acquisition price shall be applied on or after the day following the day on which the consideration is fixed.

[5] If the Company issues share options for which the delivery of common shares may be taken at a price where the sum of the amount to be paid in for the share options per common share and the amount of properties

to be contributed upon the exercise of the share options (in the case where contributions are in the form of properties other than cash, the appropriate appraisal amount of such properties; hereinafter the same shall apply in this [5]) falls below the market price per common share specified in (d) below (including the case of allotment of share options without contribution) by exercising them or by being acquired by the Company, the adjusted acquisition price shall be the amount calculated by using such total amount of the paid-in price of share options per common share and the price per common share of properties to be contributed upon exercise of share options as the "Paid-in amount per share" in the Acquisition Price Adjustment Formula, deeming that all of share options to be issued are exercised or acquired under the initial conditions and common shares are delivered on the allotment date of such share options, in the case of the allotment of share options without contribution, on the day when it takes effect (if a record date for the allotment of share options without contribution is specified, on such record date; the same shall apply hereinafter in this [5]), or if there is a Shareholder Allotment Date, on such date. The adjusted acquisition price shall be applied on or after the day following the allotment date of share options, or in the case of an allotment of share options without contribution, on or after the day following the day on which such allotment takes effect, or if there is a Shareholder Allotment Date, on or after the day following such date. Notwithstanding the foregoing, if the consideration for the common shares to be delivered upon the acquisition or exercise is not fixed at the time stated above, the adjusted acquisition price shall be calculated, deeming that all of the share options to be issued at the time such consideration is fixed are exercised or acquired and common shares are delivered under the conditions as of the time such consideration is fixed and the adjusted acquisition price shall be applied on or after the day following the day on which the consideration is fixed. However, adjustments of acquisition price pursuant to this [5] shall not apply to share options for common shares to be issued for the purpose of stock options to directors, Audit & Supervisory Board members, executive officers or other officers or employees of the Company or its subsidiaries.

(b) In addition to the reasons listed in (a) above, if any of [1] through [3] below is applicable, the Company shall appropriately adjust the acquisition price after notifying Class A Shareholders, etc. in writing in advance of such fact, the reasons therefor, the adjusted acquisition price, the date of application and other necessary matters:

[1] When the adjustment of the acquisition price is required for a merger, share exchange, acquisition of all of the outstanding shares of another stock company through share exchange, share transfer, absorption-type company split, succession to all or part of the rights and obligations held by another company in relation to its business through an absorption-type company split, or incorporation-type company split;

[2] When two or more events for adjusting the acquisition price occur together, and it is necessary, with regard to the market price to be used in calculating the adjusted acquisition price based on one of the events, to

consider the effect of the other events; or [3] Other cases where the acquisition price needs to be adjusted due to the occurrence of a change or an event that may cause a change in the number of common shares outstanding (excluding, however, the number of common shares held by the Company). (c) If calculation is necessary for adjustment of the acquisition price, it shall be made to the second decimal place below the unit of yen, rounded to the first decimal place. (d) The market price per common share used in the Acquisition Price Adjustment Formula shall be the average value of the VWAP for the 30 consecutive trading days preceding the date on which the adjusted acquisition price (calculated to the second decimal place below the unit of yen and rounded off to the first decimal place) is applied (or if a reason for adjusting the acquisition price is announced on the timely disclosure information inspection service provided by the Tokyo Stock Exchange, the date of such announcement). The term "trading day " means a day on which ordinary trading of the Company's common shares is conducted on the Tokyo Stock Exchange, and shall not include a day on which VWAP is not announced. (e) If, as a result of the calculation in adjusting an acquisition price, the difference between the adjusted acquisition price and the unadjusted acquisition price is less than 0.1 yen, the adjustment of the acquisition price shall not be made. However, adjustments that have become unnecessary pursuant to this (e) will be carried forward and taken into account in the subsequent adjustment calculations. 5. Place for Receiving Claim for Acquisition of Common Share Consideration Shareholder Registry Administrator Office: 4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo Stock Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation 6. Effectuation of Claim for Acquisition of Common Share Consideration The Claim for Acquisition of Common Share Consideration shall become effective when the documents required for the Claim for Acquisition of Common Share Consideration reach the place for receiving Claim for Acquisition of Common Share Consideration stated in the preceding paragraph or on the desired effective date stated in the said documents, whichever is later.	
(Right to Claim Acquisition of Cash and Class B Share Consideration) Article 11-6 A Class A Shareholder may, at any time on and after the date of issuance of Class A shares, to the extent permitted by the laws and regulations, request that the Company acquire all or part of the Class A shares that they hold (however, partial acquisitions shall be limited to an integral multiple of 1,000 shares) in exchange for the delivery of (i) the cash set forth in paragraph 2 (hereinafter referred to as "Cash Subject to Claim") and (ii) the number of Class B Shares set forth in paragraph 3 (hereinafter referred to as "Class B Shares	(Acquisition Clause for Cash Consideration) Article 11-6 The Company may, at any time, acquire all or some of the Class D Shares in exchange for money up to the distributable amount, upon the arrival of a date separately determined in accordance with a resolution of the Company's Board of Directors (hereinafter referred to in this Article as "Class D Compulsory Redemption Date"), regardless of the intentions of Class D Shareholders, etc. When acquiring a part of Class D shares, the number of shares to be acquired shall be determined by proportional allocation, lottery, or any other

Subject to Claim") (hereinafter referred to as "Claim for Acquisition of Cash and Class B Share Consideration"), and the Company shall deliver the Cash Subject to Claim and the Class B Shares Subject to Claim to such Class A Shareholder to the extent permitted by laws and regulations in exchange for the acquisition of the Class A shares pertaining to such Claim for Acquisition of Cash and Class B Share Consideration.	reasonable method specified based on a resolution of the Board of Directors. The number of shares to be acquired shall be determined. The acquisition price per Class D share shall be the amount equivalent to the basic redemption price set forth in paragraph 2 of the preceding Article less the amount equivalent to deduction amount (however, the amount equivalent to basic redemption price and the amount equivalent to deduction amount shall be calculated in the basic redemption price formula and the deduction amount formula by replacing the "Class D Redemption Claim Date" with the "Class D Compulsory Redemption Date" and replacing the "Class D Preferred Dividends paid before redemption claim" with the "Class D Preferred Dividends paid before compulsory redemption" (meaning the amount of the Class D Preferred Dividends paid during the period up to the Class D Compulsory Redemption Date (including the Class D Preferred Interim Dividends paid during the period up to the Class D Compulsory Redemption Date)). If the Class D Preferred Dividends paid before redemption claim are paid on multiple occasions, an amount equivalent to the deduction amount shall be calculated for each of Class D Preferred Dividends paid before redemption claim, and the combined total amount shall be deducted from the amount equivalent to basic redemption price.
2. The amount of cash to be delivered in exchange for the acquisition of Class A Class Shares shall be the amount obtained by multiplying the sum of the Amount Equivalent to Paid-in Amount per Class A share, the Amount Equivalent to Class A Cumulative Unpaid Dividends, and the Daily Unpaid Preferred Dividends by the number of Class A Class Shares pertaining to the Claim for Acquisition of Cash and Class B Share Consideration. In this Article, the "Distribution Date" in the calculation of the amount of Daily Unpaid Preferred Dividends shall be replaced with the "effective date of Claim for Acquisition of Cash and Class B Share Consideration" to calculate such amount. If there is a fraction of less than one yen in the cash to be delivered in exchange for the acquisition of Class A Shares pertaining to the Claim for Acquisition of Cash and Class B Share Consideration, such fraction shall be rounded down.	(Deleted)
3. The number of Class B shares to be delivered in exchange for the acquisition of Class A shares shall be the number obtained by, after calculating the amount obtained by multiplying the amount obtained by multiplying the Amount Equivalent to Paid-in Amount per Class A share by the Redemption Factor (as defined in the following Article) less the Amount Equivalent to Paid-in Amount per Class A share by the number of the Class A shares pertaining to the Claim for Acquisition of Cash and Class B Share Consideration, dividing the resulting amount by 1,000,000 yen. In this Article, the "Cash Consideration Redemption Date" in the Redemption Factor shall be replaced with the "effective date of Claim for Acquisition of Cash and Class B Share Consideration." In addition, if the total number of Class B shares to be delivered in exchange for the acquisition of the Class A shares pertaining to the Claim for Acquisition of Cash and Class B Share Consideration includes a fraction of less than one share, such fraction shall be rounded off, and in this case, the monies	(Deleted)

specified in Article 167, paragraph 3 of the Companies Act shall not be delivered.	
4. The Claim for Acquisition of Cash and Class B Share Consideration shall become effective when the documents required for the Claim for Acquisition of Cash and Class B Share Consideration reach the Company or on the desired effective date stated in such documents, whichever is later.	(Deleted)
(Acquisition Clause for Cash Consideration)	(Right to Claim Acquisition of Common Share Consideration)
Article 11-7 At any time on and after the date of issuance of the Class A Shares, the Company may, upon the arrival of a date separately determined by the Company's Board of Directors (hereinafter referred to as "Cash Consideration Redemption Date" in this Article), acquire all or part of the Class A shares (however, partial acquisitions shall be limited to an integral multiple of 5,000 shares) for cash consideration to the extent permitted by laws and regulations upon giving written notice (which shall be irrevocable) to the Class A Shareholders, etc. at least 20 trading days (meaning the day on which ordinary trading of the Company's common shares is conducted on the Tokyo Stock Exchange) before the Cash Consideration Redemption Date (hereinafter referred to as "Cash Consideration Redemption" in this Article), and the Company shall, in exchange for acquiring the Class A Shares pertaining to such Cash Consideration Redemption, deliver to the Class A Shareholders the amount obtained by multiplying the number of Class A shares pertaining to such Cash Consideration Redemption by the sum of (i) the amount obtained by multiplying the Amount Equivalent to Paid-in Amount per Class A share by the Redemption Factor set forth below and (ii) the Amount Equivalent to Class A Cumulative Unpaid Dividends and the Daily Unpaid Preferred Dividend. In this Article, the "Distribution Date" in the calculation of the amount of Daily Unpaid Preferred Dividends shall be replaced with the "Cash Consideration Redemption Date" to calculate such amount. If there is a fraction of less than one yen in the cash to be delivered in exchange for the acquisition of Class A shares pertaining to Cash Consideration Redemption, such fraction shall be rounded down. When acquiring a part of Class A shares, the Class A shares to be acquired from the Class A Shareholders shall be determined on a pro-rata basis or by any other reasonable method specified by the Board of Directors of the Company. The "Redemption Factor" in this Chapter means the numerical value specified in [1] through [6] below, depending on the classification of which of the periods [1] through [6] below the Cash Consideration Redemption Date belongs. [1] From the day after the issuance date of the Class A shares until June 30, 2021: 1.07 [2] From July 1, 2021 to June 30, 2022: 1.12 [3] From July 1, 2022 to June 30, 2023: 1.18 [4] From July 1, 2023 to June 30, 2024: 1.24 [5] From July 1, 2024 to June 30, 2025: 1.31 [6] From July 1, 2025: 1.40	Article 11-7 A Class D Shareholder may at any time, to the extent permitted by laws and regulations, request that the Company deliver common shares in exchange for the acquisition of all or part of its Class D shares that they hold in accordance with the conditions set forth in this Article (hereinafter referred to as "Class D Conversion Claim," and the date on which the Class D Conversion Claim is made shall be referred to as "Class D Conversion Claim Date").

(Newly established)	2. The number of common shares to be delivered by the Company to Class D Shareholders as consideration under this Article shall be calculated in the manner set forth below. However, rounding down of fractions shall be done at the end, and any fraction less than one share in the number of common shares to be delivered to Class D Shareholders shall be rounded down, and no adjustment in cash shall be made. (Formula for Number of Shares to be Delivered) Number of common shares of the Company to be delivered in exchange for the acquisition of Class D shares = Number of Class D shares that the Class D Shareholder has requested to be acquired × Amount equivalent to basic redemption price set forth in Article 11-5, paragraph 2 less the amount equivalent to deduction amount (however, the amount equivalent to basic redemption price and the amount equivalent to deduction amount shall be calculated in the basic redemption price formula and the deduction amount formula by replacing the "Class D Redemption Claim Date" with the "Class D Conversion Claim Date" and replacing the "Class D Preferred Dividends paid before redemption claim" with the "Class D Preferred Dividends paid before conversion claim" (meaning the amount of Class D Preferred Dividends paid up to the Class D Conversion Claim Date (including the Class D Preferred Interim Dividends paid up to the Class D Conversion Claim Date) ÷ Conversion price Conversion price a. Initial conversion price The initial conversion price shall be 1,344 yen. b. Revision of the conversion price The conversion price shall be adjusted on the last day of June and the last day of December of each year from the last day of December 2024 (hereinafter in this Article, individually or collectively referred to as "Conversion Price Revision Date") to an amount equal to 95% of the market price as of the Conversion Price Revision Date (hereinafter in this Article referred to as "Revised Conversion Price"). However, if the Revised Conversion Price is less than 708 yen (hereinafter referred to as "Minimum Conversion Price" in this Article), the Revised Conversion Price shall be the Minimum Conversion Price. If the conversion price is adjusted in accordance with c. below, the Minimum Conversion Price shall be adjusted in the same manner. The above "market price" shall be the average value (excluding the days with no closing price; it shall be calculated to the second decimal place below the unit of yen and rounded off to the first decimal place) of the daily closing price (including quotes) of the common shares of the Company in ordinary trading on the Tokyo Stock Exchange, Inc. (hereinafter in this article referred to as "Tokyo Stock Exchange") for 30 trading days commencing on the 45th trading day preceding such Conversion Price Revision Date. c. Adjustment of the conversion price (a) If, after the issuance of the Class D shares, the number of common shares is or may be changed for any of the reasons listed in (b) below, the Company shall adjust the conversion price (including the Revised Conversion Price in accordance with b. above) by the formula set forth below (hereinafter

	referred to as "Conversion Price Adjustment Formula" in this Article). Adjusted conversion price = Unadjusted conversion price × (Number of common shares outstanding + ((Number of common shares delivered × paid-in amount per share) ÷ Market price)) ÷ (Number of common shares outstanding + Number of common shares delivered) The "Number of common shares outstanding" used in the Conversion Price Adjustment Formula shall be the number of outstanding common shares of the Company less the number of common shares held by the Company if a record date for each of the transactions in (b)(i) through (iv) below is set for the Common Shareholders, on that date, or, if no such record date is set, on the date one month before the date on which the adjusted conversion price is to be applied as of such date, plus the number of common shares deemed to be the number of common shares delivered under (b) or (d) below before such conversion price adjustment that have not yet been delivered. The "Number of common shares delivered" used in the Conversion Price Adjustment Formula shall be the number of common shares to be increased by the stock split (not including the number of common shares increased with respect to the common shares held by the Company on the record date) if a stock split of common shares is carried out, and if a consolidation of common shares is carried out, the number of common shares to be reduced by the consolidation of shares (not including the number of common shares decreased with respect to the common shares held by the Company on the effective date) shall be indicated as a negative value and used. The "Paid-in amount per share" used in the Conversion Price Adjustment Formula shall be the amount to be paid in the case of (b)(i) below (it shall be appropriate appraisal value of the property in the case where property other than cash is the subject of the contribution; it shall be zero yen in the case of the allotment without contribution), shall be zero yen in the case of (b)(ii) and (iv) below, and in the case of (b)(iii) below, it shall be the amount obtained by dividing the amount paid in or otherwise paid in consideration upon delivery of the Shares with Put Option, etc. (defined in (b)(iii) below) (in the case of share options for which the delivery of common shares may be requested for consideration that falls below the market price, it shall be the amount plus the amount of the properties to be contributed upon exercise of the share option) less the value of properties other than common shares delivered to the holder of Shares with Put Option, etc. upon acquisition, conversion, exchange, or exercise thereof by the number of common shares to be delivered upon acquisition, conversion, exchange, or exercise thereof (hereinafter referred to as "Consideration" in (b)(iii). (b) When the conversion price of Class D shares is adjusted by the Conversion Price Adjustment Formula and the time of application of the adjusted conversion price shall be as set forth below. (i) In the case of delivering the common shares at a paid-in amount that falls below the market price set forth in (c)(ii) below (including a case of allotment without contribution) (however, excluding the case of delivery in exchange for acquisition of shares with put option, shares subject to call, or share options subject to call delivered by the Company (including those attached to bonds with share options; the same

	shall apply in this c.) or the case of delivery upon acquisition, conversion, exchange, or exercise of share options (including those attached to bonds with share options; the same shall apply in this c.) or other securities or rights for which the delivery of common shares may be requested.) The adjusted conversion price shall be applied on and after the day following the payment date (if a payment period is specified for the offering, the last day of such payment period; the same shall apply hereinafter) or the effective date of the allotment without contribution. However, if there is a record date for granting the Company's Common Shareholders the right to receive an allotment of shares for subscription or for an allotment without contribution, the adjusted conversion price shall be applied on and after the day following such date. (ii) In the case of a stock split of common shares The adjusted conversion price shall be applied on and after the day following the record date for the stock split of common shares. (iii) In the case of delivering shares with put option, shares subject to call, or share options subject to call for which there are provisions to deliver common shares at a price that falls below the market price set forth in (c)(ii) below in exchange for the acquisition (including a case of allotment without contribution), or in the case of delivery of share options or other securities or rights for which the delivery of common shares may be requested for Consideration that falls below the market price set forth in (c)(ii) below (including a case of allotment without contribution) The adjusted conversion price shall be calculated by applying the Conversion Price Adjustment Formula mutatis mutandis, deeming that all of the shares with put option, shares subject to call, share options subject to call or share options, or other securities or rights (hereinafter referred to as "Shares with Put Option, etc.") to be delivered were acquired, converted, exchanged, or exercised and common shares were delivered under the initial conditions, and shall be applied on or after the day after the date of delivery or the effective date of allotment without contribution. However, if there is a record date for granting the Common Shareholders the right to receive allotment of Shares with Put Option, etc., or for allotment without contribution, it shall be applied from the day following such date. Notwithstanding the foregoing, if the Consideration for the common shares to be delivered upon the acquisition, conversion, exchange, or exercise is not fixed at the time stated above, the adjusted conversion price shall be calculated by applying the Conversion Price Adjustment Formula mutatis mutandis, deeming that all of the Shares with Put Option, etc. delivered at the time such Consideration is fixed are acquired, converted, exchanged, or exercised and common shares are delivered under the conditions as of the time such Consideration is fixed and the adjusted conversion price shall be applied on or after the day following the day on which the Consideration is fixed. (iv) In the case of consolidation of common shares The adjusted conversion price shall be applied on or after the effective date of share consolidation. (c) (i) The Conversion Price Adjustment Formula shall be calculated to the second decimal place below the unit of yen, and such decimal place shall be rounded down. (ii) The market price used in the Conversion Price Adjustment

	Formula shall be the average value (excluding the days with no closing price; it shall be calculated to the second decimal place below the unit of yen and rounded off to the first decimal place) of the daily closing price (including quotes) of the common shares in ordinary trading on the Tokyo Stock Exchange for 30 trading days commencing on the 45th trading day preceding the date on which the adjusted conversion price is applied. (d) In addition to the cases that require adjustment of the conversion price set forth in (b) above, the Company shall make the necessary adjustment of the conversion price if the Company's Board of Directors reasonably determines that any of the following cases applies: (i) When adjustment of the conversion price is necessary due to a merger in which the Company is the surviving company, or the succession of all or part of the rights and obligations of another company in an absorption-type company split carried out by such company, or the acquisition of all the shares outstanding of another stock company in a share exchange carried out by such stock company; (ii) When two or more events for adjusting the conversion price occur closely in time, and it is necessary, with regard to the market price to be used in calculating the adjusted conversion price based on one of the events, to consider the effect of the other events; or (iii) Other cases where the conversion price needs to be adjusted due to the occurrence of a change or an event that may cause a change in the number of the Company's common shares outstanding. (e) If the difference between the adjusted conversion price calculated by the Conversion Price Adjustment Formula and the unadjusted conversion price is less than one yen, the adjustment of the conversion price shall not be made. However, adjustments that have become unnecessary pursuant to the this (e) will be carried forward and taken into account in the subsequent adjustment calculations. (f) If the Company adjusts the conversion price pursuant to (a) through (e) above, the Company shall notify each Class D Shareholder listed in the shareholder registry in writing in advance of such fact, reasons therefor, the unadjusted conversion price the adjusted conversion price, the date of application, and other necessary matters. However, if the above notice cannot be given by the day preceding the date of application, it shall be given promptly after the date of application.
(Newly established)	3. Place for Receiving Conversion Requests Shareholder Registry Administrator Office Stock Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo
(Newly established)	4. A Class D Conversion Claim under paragraph 1 of this Article shall become effective when the written request for such conversion with respect the Class D shares arrives at the place for receiving conversion requests described in the preceding paragraph.
(Exclusion of the Right to Request to be Added to the Specific Shareholders from Whom the Company Acquires Treasury Shares)	(Voting Rights) Article 11-8 Class D Shareholders shall not have voting rights at any general meeting of shareholders unless otherwise provided

Article 11-8 The provisions of Article 160, paragraphs 2 and 3 of the Companies Act shall not apply if the Company decides, upon resolution of a general meeting of shareholders, that it acquires all or part of the Class A shares held by Class A Shareholders based on agreement with such Class A Shareholders.	for by laws and regulations.
(Consolidation or Split of Shares, Allotment of Shares for Subscription, etc.) Article 11-9 The Company shall not split or consolidate shares with respect to Class A shares.	(Consolidation or Split of Shares, etc.) Article 11-9 Except as otherwise provided for by laws and regulations, there shall be no consolidation or split of shares with respect to Class D shares. Class D Shareholders shall not be entitled to the allotment of shares for subscription or share options for subscription, and the allotment of shares or share options without contribution shall not be made.
2. The Company shall not grant Class A Shareholders the right to receive the allotment of shares for subscription or the right to receive the allotment of share options for subscription.	(Deleted)
3. Class A Shareholders of the Company shall not be entitled to the allotment of shares without contribution or the allotment of share options without contribution.	(Deleted)
(Priority) Article 11-10 The order of priority of the payment of Class A Preferred Dividends, Amount Equivalent to Class A Cumulative Unpaid Dividends, Class B Preferred Dividends, Amount Equivalent to Class B Cumulative Unpaid Dividends, and dividends of surplus to shareholders holding common stocks or registered pledgees of common stocks (hereinafter collectively referred to as "Common Shareholders, etc.") shall be as follows: (1) Amount Equivalent to Class A Cumulative Unpaid Dividends and Amount Equivalent to Class B Cumulative Unpaid Dividends (2) Class A Preferred Dividends and Class B Preferred Dividends (3) dividends of surplus to Common Shareholders, etc. 2. The order of priority of the payment of residual assets pertaining to Class A shares, Class B shares, Class C shares and common stocks shall be in the following order: (1) the distribution of residual assets pertaining to Class A, Class B and Class C shares (2) the distribution of residual assets pertaining to common stocks. 3. If the amount of the distribution of dividends of surplus or residual assets to be paid by the Company is less than the total amount necessary for such payment with a priority order, the payment of such dividends of surplus or residual assets shall be made on a pro rata basis according to the necessary amount for distribution of such dividends of surplus or residual assets with that priority order.	(Deleted)
Chapter II-3 Class B Shares (Class B Preferred Dividends) Article 11-11 When the Company pays a dividend of surplus based on a record date that belongs to a business year, such payment shall be made, according to the order of priority of the payment set forth in Article 11-18, paragraph 1, in the amount specified in paragraph 2 for each Class B share (the money to be paid per Class B	(Deleted)

share as a result of such dividend shall be hereinafter referred to as "Class B Preferred Dividends") to shareholders holding Class B shares (hereinafter referred to as "Class B Shareholders") or registered pledgees of Class B shares stated or recorded in the final shareholder registry on the Dividend Record Date (hereinafter collectively referred to as "Class B Shareholders, etc." together with the Class B Shareholders). If the amount obtained by multiplying the Class B Preferred Dividends by the number of Class B shares to which each of the Class B Shareholders, etc. has rights includes a fraction of less than one yen, such fraction shall be rounded down.

2. The amount of the Class B Preferred Dividends shall be calculated by pro-rating, with one year being 365 days (however, 366 days when the business year includes a leap day), the amount of money calculated by multiplying 1,000,000 yen (hereinafter referred to as "Amount Equivalent to Paid-in Amount" in this Chapter) by 8.0%, for the actual number of days during the period from the first day of the business year that includes the relevant Dividend Record Date (however, in the case where such day belongs to the business year ended on the last day of March 2021, the date of issuance of Class B shares) (including the same day) to the relevant Dividend Record Date (including the same day) (the division shall be made at the end and calculated to the second decimal place below the unit of yen, rounded to the first decimal place). Provided, however, that if surplus is distributed to Class B Shareholders, etc. on the basis of a record date prior to the relevant Dividend Record Date during the business year containing the relevant Dividend Record Date, the amount of Class B Preferred Dividends pertaining to the relevant Dividend Record Date shall be the amount obtained by deducting the total amount of Class B Preferred Dividends paid for each such distribution.

3. The Company shall not pay dividends of surplus to Class B Shareholders, etc. in excess of the amount of Class B Preferred Dividends and the Amount Equivalent to Class B Cumulative Unpaid Dividends (set forth in paragraph 4); However, this shall not apply to the distribution of surplus prescribed in Article 758, item (viii), (b) or Article 760, item (vii), (b) of the Companies Act made as part of the absorption-type company split procedures conducted by the Company, or the distribution of surplus prescribed in Article 763, paragraph (1), item (XII), (b) or Article 765, paragraph (1), item (viii), (b) of the Companies Act made as part of the incorporation-type company split procedures conducted by the Company.

4. In the case where the total amount of dividends of surplus per share made to Class B Shareholders, etc. on the basis of the record date that belongs to a business year (excluding the dividend in the Amount Equivalent to Class B Cumulative Unpaid Dividends (as defined below) accumulated in accordance with this paragraph with respect to Class B Preferred Dividends pertaining to each business year prior to that business year) does not reach the amount of Class B Preferred Dividends pertaining to that business year (meaning the amount of Class B Preferred Dividends to be calculated in accordance with paragraph 2 in the case where a

dividend of surplus is assumed to be paid with the last day of the that business year as the record date; however, the provisions of the proviso to paragraph 2 shall not be applied in such calculation), the shortfall shall be accumulated in the business year immediately following that business year (hereinafter referred to as "Business Year with the Shortfall" in this paragraph) and the subsequent business years. The accumulated amount, in this case, shall be the amount obtained by adding the amount calculated by compounding annually at an interest rate of 8.0% per annum in each business year following the Business Year with the Shortfall and thereafter (however, for the first year, the period from the day following the ordinary general meeting of shareholders for the Business Year with the Shortfall (hereinafter referred to as "Ordinary General Meeting of Shareholders for the Business Year with the Shortfall" in this paragraph) (including the same day) to the last day of the business year following the Business Year with the Shortfall (including the same day)) from the day (including the same day) following the Ordinary General Meeting of Shareholders for the Business Year with the Shortfall until the day when the accumulated amount is distributed to the Class B Shareholders, etc. (including the same day). Such calculation shall be made on a pro-rata daily basis, with one year being 365 days (or 366 days if the relevant business year includes a leap day), and the division shall be made at the end and calculated to the second decimal place below the unit of yen, rounded to the first decimal place. The amount accumulated in accordance with this paragraph (hereinafter referred to as "Amount Equivalent to Class B Cumulative Unpaid Dividends") shall be distributed to Class B Shareholders, etc. in the order of priority of the payment set forth in Article 11-18, paragraph 1, If the amount obtained by multiplying the Amount Equivalent to Class B Cumulative Unpaid Dividends to be distributed by the number of Class B shares to which each of the Class B Shareholders, etc. has rights includes a fraction of less than one yen, such fraction shall be rounded down.	
(Distribution of Residual Assets) Article 11-12 When the Company distributes residual assets, it shall pay, per Class B share, to Class B Shareholders, etc. the amount obtained by adding the Amount Equivalent to Class B Cumulative Unpaid Dividends and the Daily Unpaid Preferred Dividends set forth in paragraph 3 to the Amount Equivalent to Paid-in Amount (hereinafter referred to as "Class B Residual Asset Distribution Amount"), according to the order of priority of the payment set forth in Article 11-18, paragraph 2. However, in this paragraph, if the day on which the distribution of residual assets is made (hereinafter referred to as "Distribution Date" in this Chapter) falls between the day following a Dividend Record Date (including the same day) and the time at which the dividend of surplus is paid based on such Dividend Record Date, the Amount Equivalent to Class B Cumulative Unpaid Dividends shall be calculated, deeming that dividend of surplus based on such Dividend Record Date is not paid. If the amount obtained by multiplying the Class B Residual Asset	(Deleted)

Distribution Amount by the number of Class B shares to which each of the Class B Shareholders, etc. has rights includes a fraction of less than one yen, such fraction shall be rounded down. 2. No distribution of residual assets shall be made to Class B Shareholders, etc. in addition to the provisions of the preceding paragraph. 3. The Daily Unpaid Preferred Dividends per Class B share shall be the amount equivalent to the Class B Preferred Dividends calculated in accordance with Article 11-11, paragraph 2 (hereinafter, in this Chapter, the daily unpaid preferred dividends per Class B share shall be referred to as "Daily Unpaid Preferred Dividends") assuming that the Class B Preferred Dividends are paid in the business year containing the Distribution Date with such Distribution Date as the record date.	
(Voting Rights) Article 11-13 Class B Shareholders shall not have voting rights at any general meeting of shareholders unless otherwise provided for by laws and regulations.	(Deleted)
(Right to Claim Acquisition of Common Share Consideration) Article 11-14 A Class B Shareholder may, at any time on and after the date of issuance of Class B shares, request that the Company acquire all or part of the Class B shares that they hold (hereinafter referred to as "Claim for Acquisition of Common Share Consideration" in this Chapter) in exchange for the delivery of the number of common shares set forth in paragraph 2 (hereinafter referred to as "Common Shares Subject to Claim" in this paragraph), and the Company shall deliver the Common Shares Subject to Claim to such Class B Shareholder to the extent permitted by laws and regulations in exchange for the acquisition of the Class B shares pertaining to such Claim for Acquisition of Common Share Consideration. 2. The number of common shares to be delivered in exchange for the acquisition of Class B shares shall be the number obtained by, after multiplying the sum of the Amount Equivalent to Paid-in Amount per Class B share, the Amount Equivalent to Class B Cumulative Unpaid Dividends, and the Daily Unpaid Preferred Dividends by the number of the Class B shares pertaining to Claim for Acquisition of Common Share Consideration, dividing the resulting amount by the acquisition price set forth in paragraphs 3 and 4. In this Article, the "Distribution Date" in the calculation of the amount of Daily Unpaid Preferred Dividends shall be replaced with the "effective date of Claim for Acquisition of Common Share Consideration" to calculate such amount. In addition, if the total number of common shares to be delivered in exchange for the acquisition of the Class B shares pertaining to the Claim for Acquisition of Common Share Consideration includes a fraction of less than one share, such fraction shall be rounded off, and in this case, the money specified in Article 167, paragraph (3) of the Companies Act shall not be delivered.	(Deleted)

3. The initial acquisition price shall be the greater of (a) or (b) below:

(a) 390.3 yen

(b) Value obtained (calculated to the second decimal place below the unit of yen and rounded off to the first decimal place) by multiplying the average value of VWAP for the 20 consecutive trading days preceding July 15, 2020 and the 20 consecutive trading days following July 15, 2020 (July 15, 2020 is not inclusive) by 0.9; the term "trading day" shall mean a day on which ordinary trading of the Company's common shares is conducted on the Tokyo Stock Exchange, and shall not include the days on which VWAP is not announced.

4. Adjustment of Acquisition Price

(a) If any of the following events occur, the acquisition price shall be adjusted as follows:

[1] In the case of a share split or allotment of shares without contribution with respect to common shares, the acquisition price shall be adjusted according to the following formula. In the case of allotment of shares without contribution, in the following formula, the "Number of common shares outstanding before split" shall be replaced with the "Number of common shares outstanding before allotment without contribution (excluding, however, common shares held by the Company at the time)" and the "Number of common shares outstanding after split" shall be replaced with the "Number of common shares outstanding after allotment without contribution" (excluding common shares held by the Company at that time)" respectively.

[Formula]

Adjusted acquisition price = A × B ÷ C

A = Unadjusted acquisition price

B = Number of common shares outstanding before split

C = Number of common shares outstanding after split

The adjusted acquisition price shall be applied on or after the day following the record date pertaining to the split of shares or on or after the effective date of the allotment of shares without contribution (in cases where the record date pertaining to the allotment of shares without contribution is specified, the day following said record date).

[2] In the case of a consolidation of common shares, the acquisition price shall be adjusted according to the following formula:

[Formula]

Adjusted acquisition price = A × B ÷ C

A = Unadjusted acquisition price

B = Number of common shares outstanding before consolidation

C = Number of common shares outstanding after consolidation

The adjusted acquisition price shall be applied on or after the effective date of share consolidation.

[3] If the Company issues common shares or disposes of common shares held by the Company at a paid-in amount that falls below the market price per common share specified in (d) below (in the case of allotment of shares without contribution, excluding cases of

acquisition of shares or share options (including those attached to bonds with share options; hereinafter the same shall apply in this paragraph) acquired in exchange for the delivery of common shares, exercise of share options for common shares, or delivery of common shares due to merger, share exchange, or company split), the acquisition price shall be adjusted in accordance with the following formula (hereinafter referred to as "Acquisition Price Adjustment Formula" in this paragraph). The "Paid-in amount per share" in the Acquisition Price Adjustment Formula shall be the appropriate appraisal value of the property when property other than money is the subject of the contribution. The adjusted acquisition price shall be applied on or after the day following the payment date (the last day of the payment period, if a payment period is specified), or if a record date for allotment to shareholders is specified, on or after the day following such record date (hereinafter referred to as "Shareholder Allotment Date" in this paragraph). In the cases where the Company disposes of common shares that it holds, the "Number of common shares to be newly issued" and the "Number of common shares held by the Company" in the following formula shall be replaced with the "Number of common shares held by the Company to be disposed" and the "Number of common shares held by the Company before disposition" respectively.

Adjusted acquisition price = A × (B - C + D × E ÷ F) ÷ (B - C + D)

A = Unadjusted acquisition price

B = Number of common shares outstanding

C = Number of common shares held by the Company

D = Number of common shares to be newly issued

E = Paid-in amount per share

F = Market price per common share

[4] If the Company issues or disposes of shares for which the delivery of common shares may be taken at an acquisition price per common share that falls below the market price per common share specified in (d) below (including the case of allotment of shares without contribution) by causing the Company to acquire or by being acquired by the Company, the adjusted acquisition price shall be the amount calculated by applying such price to "Paid-in amount per share" in the Acquisition Price Adjustment Formula, deeming that all of the shares to be issued or disposed of are acquired under the initial conditions and common shares are delivered on the payment date for such shares (or, if a payment period is specified, the last day of such payment period; the same shall apply hereinafter in this [4]), in the case of the allotment of shares without contribution, on the day when it takes effect (if a record date for the allotment of shares without contribution is specified, on such record date; the same shall apply hereinafter in this [4]) or if there is a Shareholder Allotment Date, on such date. The adjusted acquisition price shall be applied on or after the day following the payment date, or in the case of an allotment of shares without contribution, on or after the day following the day on which such allotment takes effect, or if there is a Shareholder Allotment Date, on or after the day following such date. Notwithstanding the foregoing, if the consideration for the common shares to

be delivered upon the acquisition is not fixed at the time stated above, the adjusted acquisition price shall be calculated, deeming that all of the shares to be issued or disposed of at the time such consideration is fixed are acquired and common shares are delivered under the conditions as of the time such consideration is fixed and the adjusted acquisition price shall be applied on or after the day following the day on which the consideration is fixed.

[5] If the Company issues share options for which the delivery of common shares may be taken at a price where the sum of the amount to be paid in for the share options per common share and the amount of properties to be contributed upon the exercise of the share options (in the case where contributions are in the form of properties other than cash, the appropriate appraisal amount of such properties; hereinafter the same shall apply in this [5]) falls below the market price per common share specified in (d) below (including the case of allotment of share options without contribution) by exercising them or by being acquired by the Company, the adjusted acquisition price shall be the amount calculated by using such total amount of the paid-in price of share options per common share and the price per common share of properties to be contributed upon exercise of share options as the "Paid-in amount per share" in the Acquisition Price Adjustment Formula, deeming that all of share options to be issued are exercised or acquired under the initial conditions and common shares are delivered on the allotment date of such share options, in the case of the allotment of share options without contribution, on the day when it takes effect (if a record date for the allotment of share options without contribution is specified, on such record date; the same shall apply hereinafter in this [5]), or if there is a Shareholder Allotment Date, on such date. The adjusted acquisition price shall be applied on or after the day following the allotment date of share options, or in the case of an allotment of share options without contribution, on or after the day following the day on which such allotment takes effect, or if there is a Shareholder Allotment Date, on or after the day following such date. Notwithstanding the foregoing, if the consideration for the common shares to be delivered upon the acquisition or exercise is not fixed at the time stated above, the adjusted acquisition price shall be calculated, deeming that all of the share options to be issued at the time such consideration is fixed are exercised or acquired and common shares are delivered under the conditions as of the time such consideration is fixed and the adjusted acquisition price shall be applied on or after the day following the day on which the consideration is fixed. However, adjustments of acquisition price pursuant to this [5] shall not apply to share options for common shares to be issued for the purpose of stock options to directors, Audit & Supervisory Board members, executive officers or other officers or employees of the Company or its subsidiaries.

(b) In addition to the reasons listed in (a) above, if any of [1] through [3] below is applicable, the Company shall appropriately adjust the acquisition price after notifying Class B Shareholders, etc. in writing in advance of such fact, the reasons therefor, the adjusted acquisition price, the date of application and other necessary matters: [1]

When the adjustment of the acquisition price is required for a merger, share exchange, acquisition of all of the outstanding shares of another stock company through share exchange, share transfer, absorption-type company split, succession to all or part of the rights and obligations held by another company in relation to its business through an absorption-type company split, or incorporation-type company split;

[2] When two or more events for adjusting the acquisition price occur together, and it is necessary, with regard to the market price to be used in calculating the adjusted acquisition price based on one of the events, to consider the effect of the other events; or

[3] Other cases where the acquisition price needs to be adjusted due to the occurrence of a change or an event that may cause a change in the number of common shares outstanding (excluding, however, the number of common shares held by the Company).

(c) If calculation is necessary for adjustment of the acquisition price, it shall be made to the second decimal place below the unit of yen, rounded to the first decimal place.

(d) The market price per common share used in the Acquisition Price Adjustment Formula shall be the average value of the VWAP for the 30 consecutive trading days preceding the date on which the adjusted acquisition price (calculated to the second decimal place below the unit of yen and rounded off to the first decimal place) is applied (or if a reason for adjusting the acquisition price is announced on the timely disclosure information inspection service provided by the Tokyo Stock Exchange, the date of such announcement). The term "trading day " means a day on which ordinary trading of the Company's common shares is conducted on the Tokyo Stock Exchange, and shall not include a day on which VWAP is not announced.

(e) If, as a result of the calculation in adjusting an acquisition price, the difference between the adjusted acquisition price and the unadjusted acquisition price is less than 0.1 yen, the adjustment of the acquisition price shall not be made. However, adjustments that have become unnecessary pursuant to this (e) will be carried forward and taken into account in the subsequent adjustment calculations.

5. Place for Receiving Claim for Acquisition of Common Share Consideration

Shareholder Registry Administrator Office: Stock Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation, 4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo

6. Effectuation of Claim for Acquisition of Common Share Consideration

The Claim for Acquisition of Common Share Consideration shall become effective when the documents required for the Claim for Acquisition of Common Share Consideration reach the place for receiving Claim for Acquisition of Common Share Consideration stated in the preceding paragraph or on the desired effective date stated in the said documents, whichever is later.

(Acquisition Clause for Cash Consideration) Article 11-15 At any time after the issuance date of Class B shares, as long as there are no Class A shares outstanding (excluding those held by the Company), the Company may, within the scope permitted by laws and regulations and upon the arrival of a date separately determined by the Board of Directors of the Company (hereinafter in this Article referred to as the "Cash Consideration Redemption Date"), acquire all of the Class B shares by paying cash (hereinafter in this Article referred to as "Cash Consideration Redemption") after giving written notice (it shall be irrevocable) to the Class B Shareholders, etc. no later than 20 trading days (the days on which the ordinary trading of the Company's common shares is conducted on the Tokyo Stock Exchange) prior to the Cash Consideration Redemption Date, and the Company may, in exchange for acquiring the Class B shares pertaining to such Cash Consideration Redemption, pay to Class B Shareholders the amount obtained by multiplying the number of Class B shares pertaining to such Cash Consideration Redemption by the sum of: (i) the amount obtained by multiplying the Amount Equivalent to Paid-in Amount per Class B share by 1.05 and (ii) the Amount Equivalent to Class B Cumulative Unpaid Dividends and the Daily Unpaid Preferred Dividends. In this Article, the "Distribution Date" in the calculation of the amount of Daily Unpaid Preferred Dividends shall be replaced with the "Cash Consideration Redemption Date" to calculate such amount. If there is a fraction of less than one yen in the cash to be delivered in exchange for the acquisition of Class B shares pertaining to Cash Consideration Redemption, such fraction shall be rounded down.	(Deleted)
(Exclusion of the Right to Request to be Added to the Specific Shareholders from Whom the Company Acquires Treasury Shares) Article 11-16 The provisions of Article 160, paragraphs 2 and 3 of the Companies Act shall not apply if the Company decides, upon resolution of a general meeting of shareholders, that it acquires all or part of the Class B shares held by Class B Shareholders based on agreement with such Class B Shareholders.	(Deleted)
(Consolidation or Split of Shares, Allotment of Shares for Subscription, etc.) Article 11-17 The Company shall not split or consolidate shares with respect to Class B shares. 2. The Company shall not grant Class B Shareholders the right to receive the allotment of shares for subscription or the right to receive the allotment of share options for subscription. 3. Class B Shareholders of the Company shall not be entitled to the allotment of shares without contribution or the allotment of share options without contribution.	(Deleted)
(Priority) Article 11-18 The order of priority of the payment of Class A Preferred Dividends, Amount Equivalent to Class A Cumulative Unpaid Dividends, Class B Preferred Dividends, Amount Equivalent to Class B	(Deleted)

Cumulative Unpaid Dividends, and dividends of surplus to Common Shareholders, etc. shall be as follows: (1) Amount Equivalent to Class A Cumulative Unpaid Dividends and Amount Equivalent to Class B Cumulative Unpaid Dividends (2) Class A Preferred Dividends and Class B Preferred Dividends (3) dividends of surplus to Common Shareholders, etc. 2. The order of priority of the payment of residual assets pertaining to Class A shares, Class B shares, Class C shares and common stocks shall be in the following order: (1) the distribution of residual assets pertaining to Class A, Class B and Class C shares (2) the distribution of residual assets pertaining to common stocks. 3. If the amount of the distribution of dividends of surplus or residual assets to be paid by the Company is less than the total amount necessary for such payment with a priority order, the payment of such dividends of surplus or residual assets shall be made on a pro rata basis according to the necessary amount for distribution of such dividends of surplus or residual assets with that priority order.	
Chapter II-4 Class C Shares (Dividends of Surplus) Article 11-19 The Company shall not pay dividends from surplus to shareholders who hold Class C shares (hereinafter referred to as "Class C Shareholders").	(Deleted)
(Distribution of Residual Assets) Article 11-20 When the Company distributes residual assets, it shall pay one million yen (hereinafter referred to as "Amount Equivalent to Paid-in Amount") per Class C share to Class C Shareholders and registered pledgees of Class C shares (hereinafter referred to as "Class C Shareholders, etc." together with the Class C Shareholders) in the order of priority of the payment set forth in Article 11-26, paragraph 2. 2. No distribution of residual assets shall be made to Class C Shareholders, etc. in addition to the provisions of the preceding paragraph.	(Deleted)
(Voting Rights) Article 11-21 Class C Shareholders shall not have voting rights at any general meeting of shareholders unless otherwise provided for by laws and regulations.	(Deleted)
(Right to Claim Acquisition of Common Share Consideration) Article 11-22 A Class C Shareholder may, at any time on and after the date of issuance of Class C shares, request that the Company acquire all or part of the Class C shares that they hold (hereinafter referred to as "Claim for Acquisition of Common Share Consideration" in this Chapter) in exchange for the delivery of the number of common shares set forth in paragraph 2 (hereinafter referred to as "Common Shares Subject to Claim" in this paragraph), and the Company shall deliver the Common Shares Subject to Claim to such Class C Shareholder to the extent permitted by laws and regulations in exchange	(Deleted)

for the acquisition of the Class C shares pertaining to such Claim for Acquisition of Common Share Consideration.

2. The number of common shares to be delivered in exchange for the acquisition of Class C shares shall be the number obtained by multiplying the Amount Equivalent to Paid-in Amount per Class C share by the number of the Class C shares pertaining to Claim for Acquisition of Common Share Consideration and then dividing the resulting amount by the acquisition price specified in paragraphs 3 and 4. In addition, if the total number of common shares to be delivered in exchange for the acquisition of the Class C shares pertaining to the Claim for Acquisition of Common Share Consideration includes a fraction of less than one share, such fraction shall be rounded off, and in this case, the money specified in Article 167, paragraph (3) of the Companies Act shall not be delivered.

3. The initial acquisition price shall be 390.3 yen.

4. Adjustment of Acquisition Price

(a) If any of the following events occur, the acquisition price shall be adjusted as follows:

[1] In the case of a share split or allotment of shares without contribution with respect to common shares, the acquisition price shall be adjusted according to the following formula. In the case of allotment of shares without contribution, in the following formula, the "Number of common shares outstanding before split" shall be replaced with the "Number of common shares outstanding before allotment without contribution (excluding, however, common shares held by the Company at the time)" and the "Number of common shares outstanding after split" shall be replaced with the "Number of common shares outstanding after allotment without contribution" (excluding common shares held by the Company at that time)" respectively.

[Formula]

Adjusted acquisition price = A × B ÷ C

A = Unadjusted acquisition price

B = Number of common shares outstanding before split

C = Number of common shares outstanding after split

The adjusted acquisition price shall be applied on or after the day following the record date pertaining to the split of shares or on or after the effective date of the allotment of shares without contribution (in cases where the record date pertaining to the allotment of shares without contribution is specified, the day following said record date).

[2] In the case of a consolidation of common shares, the acquisition price shall be adjusted according to the following formula:

[Formula]

Adjusted acquisition price = A × B ÷ C

A = Unadjusted acquisition price

B = Number of common shares outstanding before consolidation

C = Number of common shares outstanding after consolidation

The adjusted acquisition price shall be applied on or after

the effective date of share consolidation.

[3] If the Company issues common shares or disposes of common shares held by the Company at a paid-in amount that falls below the market price per common share specified in (d) below (in the case of allotment of shares without contribution, excluding cases of acquisition of shares or share options (including those attached to bonds with share options; hereinafter the same shall apply in this paragraph) acquired in exchange for the delivery of common shares, exercise of share options for common shares, or delivery of common shares due to merger, share exchange, or company split), the acquisition price shall be adjusted in accordance with the following formula (hereinafter referred to as "Acquisition Price Adjustment Formula" in this paragraph). The "Paid-in amount per share" in the Acquisition Price Adjustment Formula shall be the appropriate appraisal value of the property when property other than money is the subject of the contribution. The adjusted acquisition price shall be applied on or after the day following the payment date (the last day of the payment period, if a payment period is specified), or if a record date for allotment to shareholders is specified, on or after the day following such record date (hereinafter referred to as "Shareholder Allotment Date" in this paragraph). In the cases where the Company disposes of common shares that it holds, the "Number of common shares to be newly issued" and the "Number of common shares held by the Company" in the following formula shall be replaced with the "Number of common shares held by the Company to be disposed" and the "Number of common shares held by the Company before disposition" respectively.

Adjusted acquisition price = A × (B - C + D × E ÷ F) ÷ (B - C + D)

A = Unadjusted acquisition price

B = Number of common shares outstanding

C = Number of common shares held by the Company

D = Number of common shares to be newly issued

E = Paid-in amount per share

F = Market price per common share

[4] If the Company issues or disposes of shares for which the delivery of common shares may be taken at an acquisition price per common share that falls below the market price per common share specified in (d) below (including the case of allotment of shares without contribution) by causing the Company to acquire or by being acquired by the Company, the adjusted acquisition price shall be the amount calculated by applying such price to "Paid-in amount per share" in the Acquisition Price Adjustment Formula, deeming that all of the shares to be issued or disposed of are acquired under the initial conditions and common shares are delivered on the payment date for such shares (or, if a payment period is specified, the last day of such payment period; the same shall apply hereinafter in this [4]), in the case of the allotment of shares without contribution, on the day when it takes effect (if a record date for the allotment of shares without contribution is specified, on such record date; the same shall apply hereinafter in this [4]) or if there is a Shareholder Allotment Date, on such date. The adjusted acquisition price shall be applied on or after

the day following the payment date, or in the case of an allotment of shares without contribution, on or after the day following the day on which such allotment takes effect, or if there is a Shareholder Allotment Date, on or after the day following such date. Notwithstanding the foregoing, if the consideration for the common shares to be delivered upon the acquisition is not fixed at the time stated above, the adjusted acquisition price shall be calculated, deeming that all of the shares to be issued or disposed of at the time such consideration is fixed are acquired and common shares are delivered under the conditions as of the time such consideration is fixed and the adjusted acquisition price shall be applied on or after the day following the day on which the consideration is fixed.

[5] If the Company issues share options for which the delivery of common shares may be taken at a price where the sum of the amount to be paid in for the share options per common share and the amount of properties to be contributed upon the exercise of the share options (in the case where contributions are in the form of properties other than cash, the appropriate appraisal amount of such properties; hereinafter the same shall apply in this [5]) falls below the market price per common share specified in (d) below (including the case of allotment of share options without contribution) by exercising them or by being acquired by the Company, the adjusted acquisition price shall be the amount calculated by using such total amount of the paid-in price of share options per common share and the price per common share of properties to be contributed upon exercise of share options as the "Paid-in amount per share" in the Acquisition Price Adjustment Formula, deeming that all of share options to be issued are exercised or acquired under the initial conditions and common shares are delivered on the allotment date of such share options, in the case of the allotment of share options without contribution, on the day when it takes effect (if a record date for the allotment of share options without contribution is specified, on such record date; the same shall apply hereinafter in this [5]), or if there is a Shareholder Allotment Date, on such date. The adjusted acquisition price shall be applied on or after the day following the allotment date of share options, or in the case of an allotment of share options without contribution, on or after the day following the day on which such allotment takes effect, or if there is a Shareholder Allotment Date, on or after the day following such date. Notwithstanding the foregoing, if the consideration for the common shares to be delivered upon the acquisition or exercise is not fixed at the time stated above, the adjusted acquisition price shall be calculated, deeming that all of the share options to be issued at the time such consideration is fixed are exercised or acquired and common shares are delivered under the conditions as of the time such consideration is fixed and the adjusted acquisition price shall be applied on or after the day following the day on which the consideration is fixed. However, adjustments of acquisition price pursuant to this [5] shall not apply to share options for common shares to be issued for the purpose of stock options to directors, Audit & Supervisory Board members, executive officers or other officers or employees of the Company or its subsidiaries.

(b) In addition to the reasons listed in (a) above, if any of [1] through [3] below is applicable, the Company shall appropriately adjust the acquisition price after notifying Class C Shareholders, etc. in writing in advance of such fact, the reasons therefor, the adjusted acquisition price, the date of application and other necessary matters: [1] When the adjustment of the acquisition price is required for a merger, share exchange, acquisition of all of the outstanding shares of another stock company through share exchange, share transfer, absorption-type company split, succession to all or part of the rights and obligations held by another company in relation to its business through an absorption-type company split, or incorporation-type company split;

[2] When two or more events for adjusting the acquisition price occur together, and it is necessary, with regard to the market price to be used in calculating the adjusted acquisition price based on one of the events, to consider the effect of the other events; or

[3] Other cases where the acquisition price needs to be adjusted due to the occurrence of a change or an event that may cause a change in the number of common shares outstanding (excluding, however, the number of common shares held by the Company).

(c) If calculation is necessary for adjustment of the acquisition price, it shall be made to the second decimal place below the unit of yen, rounded to the first decimal place.

(d) The market price per common share used in the Acquisition Price Adjustment Formula shall be the average value of the VWAP for the 30 consecutive trading days preceding the date on which the adjusted acquisition price (calculated to the second decimal place below the unit of yen and rounded off to the first decimal place) is applied (or if a reason for adjusting the acquisition price is announced on the timely disclosure information inspection service provided by the Tokyo Stock Exchange, the date of such announcement). The term "trading day " means a day on which ordinary trading of the Company's common shares is conducted on the Tokyo Stock Exchange, and shall not include a day on which VWAP is not announced.

(e) If, as a result of the calculation in adjusting an acquisition price, the difference between the adjusted acquisition price and the unadjusted acquisition price is less than 0.1 yen, the adjustment of the acquisition price shall not be made. However, adjustments that have become unnecessary pursuant to this (e) will be carried forward and taken into account in the subsequent adjustment calculations.

5. Place for Receiving Claim for Acquisition of Common Share Consideration

Shareholder Registry Administrator Office: 4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo

Stock Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation

6. Effectuation of Claim for Acquisition of Common Share Consideration

The Claim for Acquisition of Common Share Consideration shall become effective when the documents required for the Claim for Acquisition of

Common Share Consideration reach the place for receiving Claim for Acquisition of Common Share Consideration stated in the preceding paragraph or on the desired effective date stated in the said documents, whichever is later.	
(Acquisition Clause for Cash Consideration) Article 11-23 At any time after the issuance date of Class C shares, as long as there are no Class A shares or Class B shares outstanding (excluding those held by the Company), the Company may, within the scope permitted by laws and regulations and upon the arrival of a date separately determined by the Board of Directors of the Company (hereinafter in this Article referred to as the "Cash Consideration Redemption Date"), acquire all of the Class C shares by paying cash (hereinafter in this Article referred to as "Cash Consideration Redemption") after giving written notice (it shall be irrevocable) to the Class C Shareholders, etc. no later than 20 trading days (the days on which the ordinary trading of the Company's common shares is conducted on the Tokyo Stock Exchange; the same shall apply hereinafter) prior to the Cash Consideration Redemption Date, and the Company may, in exchange for acquiring the Class C shares pertaining to such Cash Consideration Redemption, pay to Class C Shareholders the amount obtained by multiplying the number of Class C shares pertaining to such Cash Consideration Redemption by the amount obtained by multiplying the Amount Equivalent to Paid-in Amount per Class C share by the Redemption Factor set forth below. If there is a fraction of less than one yen in the cash to be delivered in exchange for the acquisition of Class C shares pertaining to Cash Consideration Redemption, such fraction shall be rounded down. The "Redemption Factor" in this Chapter means the numerical value specified in [1] through [6] below, depending on the classification of which of the periods [1] through [6] below the Cash Consideration Redemption Date belongs. [1] From the day after the issuance date of the Class C shares to June 30, 2021: 1.13 [2] From July 1, 2021 to June 30, 2022: 1.25 [3] From July 1, 2022 to June 30, 2023: 1.37 [4] From July 1, 2023 to June 30, 2024: 1.51 [5] From July 1, 2024 to June 30, 2025: 1.66 or the parity factor, whichever is larger [6] From July 1, 2025: 1.80 "Parity factor" shall be calculated using the following formula; however, it shall not exceed 1.80. 1 + [((a) ÷ (b)) -1] (a) The closing price of ordinary transactions of the Company's common shares on the Tokyo Stock Exchange on the trading day preceding the date of the notice on Cash Consideration Redemption (b) The acquisition price specified in paragraphs 3 and 4 of the preceding Article that is effective as of the Cash Consideration Redemption Date	(Deleted)

(Exclusion of the Right to Request to be Added to the Specific Shareholders from Whom the Company Acquires Treasury Shares) Article 11-24 The provisions of Article 160, paragraphs 2 and 3 of the Companies Act shall not apply if the Company decides, upon resolution of a general meeting of shareholders, that it acquires all or part of the Class C shares held by Class C Shareholders based on agreement with such Class C Shareholders.	(Deleted)
(Consolidation or Split of Shares, Allotment of Shares for Subscription, etc.) Article 11-25 The Company shall not split or consolidate shares with respect to Class C shares. 2. The Company shall not grant Class C Shareholders the right to receive the allotment of shares for subscription or the right to receive the allotment of share options for subscription. 3. Class C Shareholders of the Company shall not be entitled to the allotment of shares without contribution or the allotment of share options without contribution.	(Deleted)
(Priority) Article 11-26 The order of priority of the payment of Class A Preferred Dividends, Amount Equivalent to Class A Cumulative Unpaid Dividends, Class B Preferred Dividends, Amount Equivalent to Class B Cumulative Unpaid Dividends, and dividends of surplus to Common Shareholders, etc. shall be as follows: (1) Amount Equivalent to Class A Cumulative Unpaid Dividends and Amount Equivalent to Class B Cumulative Unpaid Dividends (2) Class A Preferred Dividends and Class B Preferred Dividends (3) dividends of surplus to Common Shareholders, etc. 2. The order of priority of the payment of residual assets pertaining to Class A shares, Class B shares, Class C shares and common stocks shall be in the following order: (1) the distribution of residual assets pertaining to Class A, Class B and Class C shares (2) the distribution of residual assets pertaining to common stocks. 3. If the amount of the distribution of dividends of surplus or residual assets to be paid by the Company is less than the total amount necessary for such payment with a priority order, the payment of such dividends of surplus or residual assets shall be made on a pro rata basis according to the necessary amount for distribution of such dividends of surplus or residual assets with that priority order.	(Deleted)
(Dividends of Surplus, etc.) Article 40 Unless otherwise provided for by laws and regulations, the Company shall determine the matters specified in the items of Article 459, paragraph (1) of the Companies Act, such as dividends of surplus, by resolution of the Board of Directors, not by resolution of a general meeting of shareholders. 2. The Company may pay dividends of surplus in cash to shareholders or registered pledgees of shares stated or recorded in the final shareholder registry on March 31	(Dividends of Surplus, etc.) Article 40 Unless otherwise provided for by laws and regulations, the Company shall determine the matters specified in the items of Article 459, paragraph (1) of the Companies Act, such as dividends of surplus, by resolution of the Board of Directors, not by resolution of a general meeting of shareholders. 2. The Company may pay dividends of surplus in cash to shareholders or registered pledgees of shares stated or recorded in the final shareholder registry on March 31 and September 30

and September 30 of each year.	of each year.
(Newly established)	3. In addition to the preceding two paragraphs, the Company may specify a record date and pay dividends of surplus to shareholders or registered pledgees of shares stated or recorded in the final shareholder registry on such record date.

MITSUBA Corporation Supplementary Information on Capital Policy

(Securities Code: 7280)

Friday, May 10, 2024

Points of Capital Policy

1 Acquisition and Cancellation of the Existing Class Stocks[*1]

- Achieve management improvement and strengthen the earnings and financial structure through the allocation of class stocks to JIS[*2] and the formulation and steady implementation of the current Medium-Term Management Plan that takes into account the subsequent major changes in the business environment
- Implement management independently **by using internal reserves for Acquisition and Cancellation of the Existing Class Stocks** for the purpose of reducing the risk of potential equity dilution

2 Issuance of new class stocks

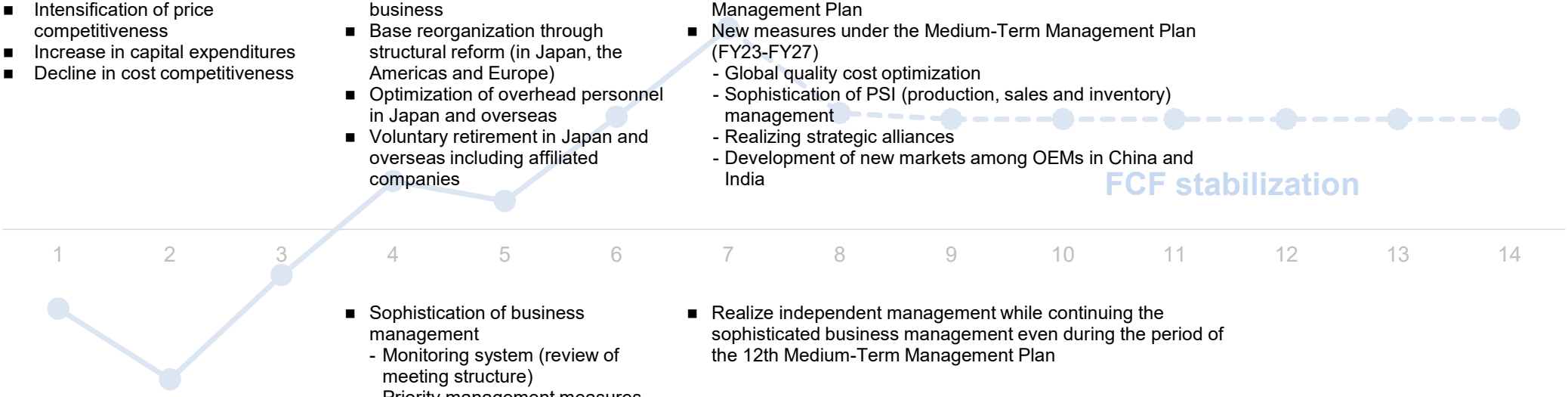
- Newly issue class stocks to be allocated to the Development Bank of Japan and Bank of Yokohama, which are our trading financial institutions, in order to **promptly stabilize the financial position and raise funds for investment in growth areas** toward achieving the MITSUBA Vision 2030
- New class stocks are designed to **reduce the risk of potential equity dilution and to have no redemption factor** compared to the Existing Class Stocks

*1 Of the Class A stock (total amount: 15 billion yen) issued on September 30, 2020, the outstanding balance (10 billion yen) and Class C stock (total amount: 5 billion yen)
*2 Abbreviation for Japan Industrial Solutions No. II (and its general partner, Japan Industrial Solutions Co., Ltd.) to which the Existing Class Stocks are allotted

Background of Capital Policy
- Strengthening Earnings and Financial Structure -

Realize FCF to be positive through the allocation of class stocks to JIS and the formulation and steady implementation of the current Medium-Term Management Plan that takes into account the subsequent major changes in the business environment

Negative FCF	**To positive** FCF	**Improving financial health Responding to the evolution of mobility**	**Realization of MITSUBA Vision 2030**
■ Sales expansion ■ Intensification of price competitiveness ■ Increase in capital expenditures ■ Decline in cost competitiveness	■ “Selection and Concentration” of business ■ Base reorganization through structural reform (in Japan, the Americas and Europe) ■ Optimization of overhead personnel in Japan and overseas ■ Voluntary retirement in Japan and overseas including affiliated companies	■ Continuing the measures of the 12th Medium-Term Management Plan ■ New measures under the Medium-Term Management Plan (FY23-FY27) - Global quality cost optimization - Sophistication of PSI (production, sales and inventory) management - Realizing strategic alliances - Development of new markets among OEMs in China and India	

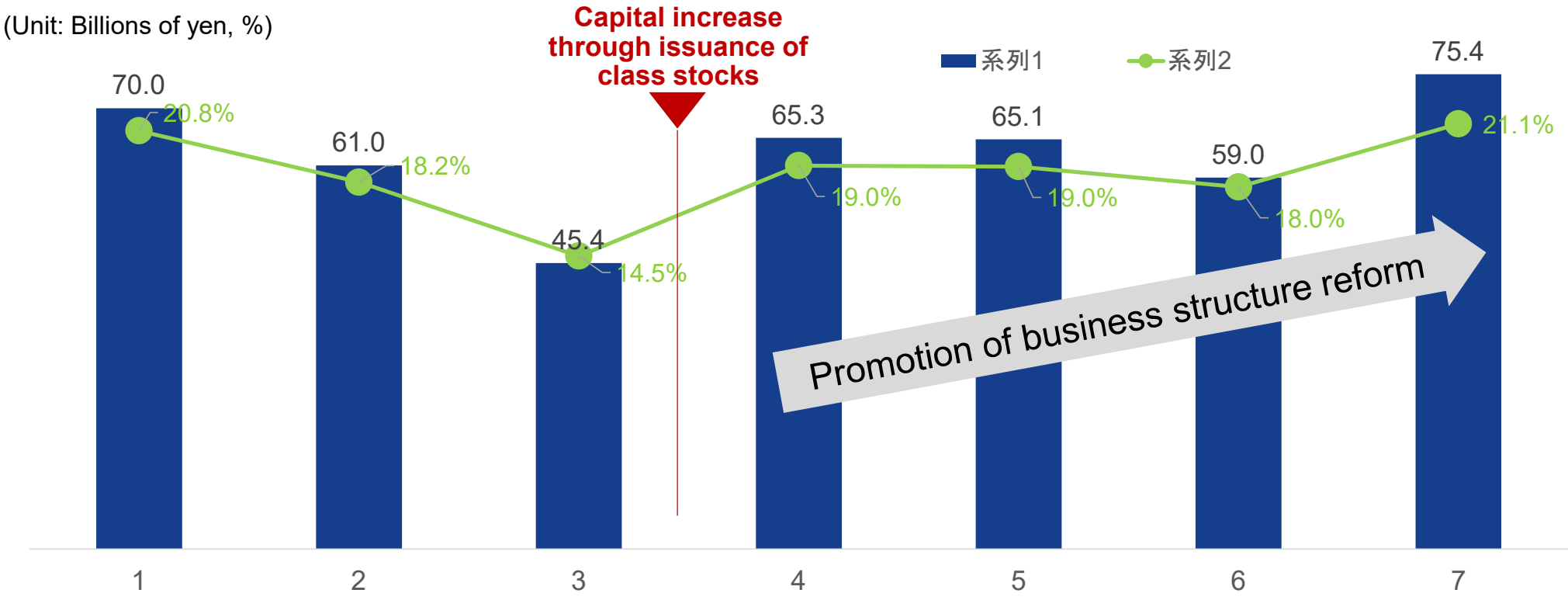


	■ Sophistication of business management - Monitoring system (review of meeting structure) - Priority management measures (stricter inventory and investment management) and so on	■ Realize independent management while continuing the sophisticated business management even during the period of the 12th Medium-Term Management Plan	
The 11th Medium-Term Management Plan FY17-FY19	The 12th Medium-Term Management Plan FY20-FY22	Current Medium-Term Management Plan FY23-FY27 (5 years)	Next Medium-Term Management Plan FY28-

Background of Capital Policy
- Strengthening Earnings and Financial Structure -

With the business structure reforms being promoted, current shareholders' equity has improved to 75.4 billion yen and the equity ratio has improved to 21.2%, showing **certain results in improving financial soundness**

Changes in Shareholders' Equity and Equity Ratio



Background of Capital Policy
- Changes in the Status of Existing Class Stocks -

JIS **transfer restrictions have already been lifted** for the Existing Class Stocks, and **the put option using the common stock as consideration can be exercised**, so they were **acquired and retired using internal reserves as the source**

Expressions **in red** indicate changes since the issuance

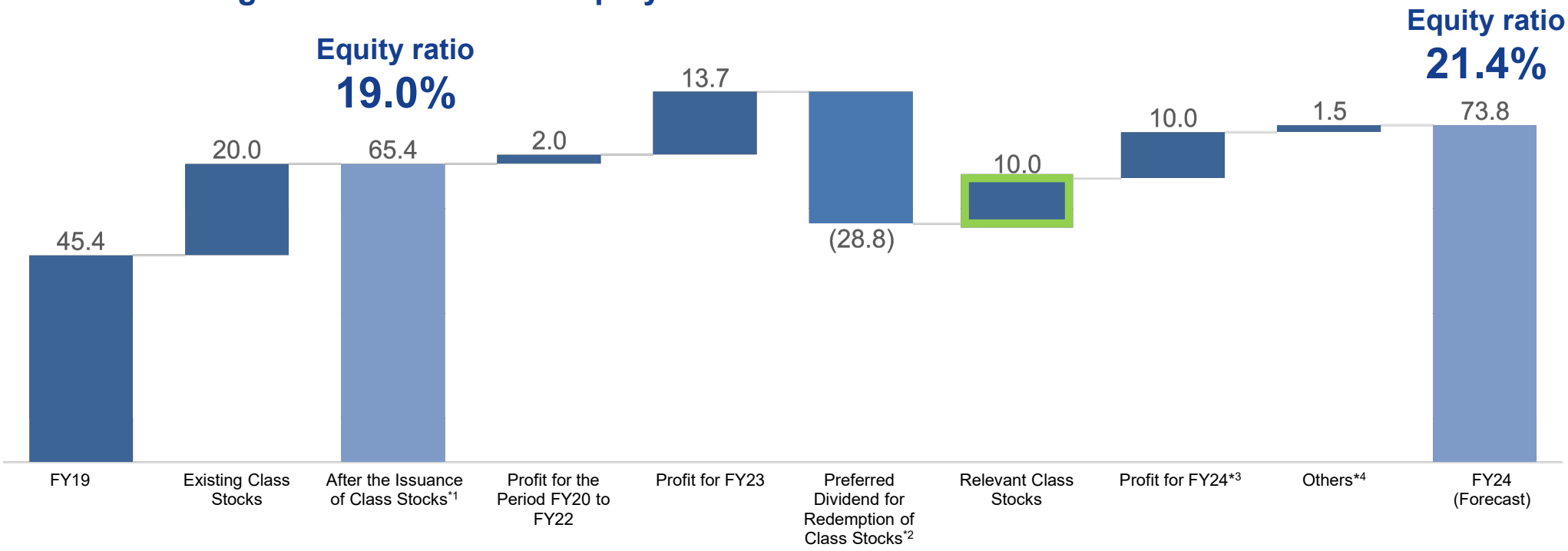
		Class A stock	Class C stock	(Reference) Class B stock
Issue amount		15 billion yen ➡ **10 billion yen due to partial redemption**	5 billion yen	**(Unissued)**
Transfer restrictions		None*1 ➡ **Release of transfer restrictions effective from May 10, 2023**		None
Acquisition clause (MITSUBA's right)		Class stocks can be redeemed at any time from the issue date		
Put option (Rights of JIS)	Consideration	• Common stock • Money + Class B stock	• Common stock	• Common stock
	Conversion to common stock	Limiting the period during which shareholders can exercise their put option against MITSUBA*2 ➡ **From May 10, 2023, put option may be exercised**		No conversion limit
Maximum dilution rate		Approximately 85.96%*3 ➡ **57.31% due to partial redemption**	Approximately 28.65%*3	Approximately 13.75%*3

*1 Under the underwriting agreement, approval by the Board of Directors is required for the transfer to a third party by June 30, 2024. Transfer restrictions are lifted in certain cases
*2 Exercisable if grounds for lifting conversion restriction occur
*3 The dilution rate is based on the assumption that neither the amount equivalent to cumulative unpaid dividends nor the daily unpaid preferred dividend amount exists

Background of Capital Policy
- Need for Capital Funds -

Recognize **the need to raise capital funds of 10 billion yen worth** in order to continue to realize a stable capital structure for achieving the MITSUBA Vision 2030, although the Existing Class Stocks is to be redeemed

Details of Changes in Shareholders' Equity



*1 Figures before reflecting financial results for the fiscal year ended March 31, 2021
*2 The amount of redemption of and preferred dividend of the class stocks is the total value of the redemption amount after taking into account the cumulative dividend and redemption factor
*3 Profit for FY24 is based on the forecast for fiscal year 2024
*4 In addition to general dividends and dividends to non-controlling shareholders, the impact of changes in stockholders' equity due to the application of Turkish inflation accounting, etc.

Background of Capital Policy
- Consideration of Procurement Method -

Select third-party allotment of class stocks based on **whether the stocks will be diluted** and the **certainty of the procurement amount**

		Third Party Allotment of Class Stocks	Public Offering and Third-Party Allotment of Common Stock	Gratis Allotment of Stock Acquisition Rights, Shareholder Allotment, and Equity Commitment Line (ECL)
Considerations	Dilution or non-dilution	Even after the necessary amount is raised, there will be no dilution of the common stock (unless the put option the consideration for which is the common stock is exercised)	In order to raise the necessary amount, immediate and appropriate dilution of the common stock will occur	(For ECL) To raise the required amount, there will be a dilution of common stock of a reasonable size, albeit in stages
	Certainty of procurement amount	Regardless of the stock price level, it is possible to securely raise funds by leveraging MITSUBA's creditworthiness	Procurement amount fluctuates depending on the stock price level	In addition to changes in the amount of funding depending on the stock price, the amount raised depends on the judgment of the allotted shareholders

Overview of the Relevant Class Stocks

Reduce the risk of potential equity dilution by limiting conversion to the common stock unless it conflicts with financial covenants

		Class D stock
Purpose		Stabilizing financial structure and capital expenditures in growth areas
Assignee		Development Bank of Japan and Bank of Yokohama
Issue amount		10 billion yen
Voting rights		None
Transfer restrictions		Yes
Preferred dividend rate		7.8% (cumulative and non-participatory)
Acquisition clause (MITSUBA's right)		Redeemable at any time after one year from the date of issue **(Reduction of dilution by conversion to common stock)**
Put option (Rights of shareholders)	Consideration	Money and common stock
	Conversion to common stock	Six months after the put option the consideration for which is a cash payment due to a conflict of financial covenants has become exercisable **(Reduce early dilution)**
Conversion price		Initially 1,344 yen, revise every six months thereafter (market value x 95%)
Minimum conversion value and maximum dilution rate		708 yen (Closing price on May 9, 2024 × 50%) • 31.59% *1 **(Further, the dilution rate is reduced because the conversion price increases during the period of stock price appreciation)**

*1 Calculated based on the initial conversion price. The dilution rate is based on the assumption that neither the amount equivalent to cumulative unpaid dividends nor the daily unpaid preferred dividend amount exists

Overview of Financial Covenants (1/2)

	Descriptions
Reasons for exercising the put option with cash consideration	• If June 27, 2029 (5 years from the payment date) has passed • If the distributable amount of surplus on the non-consolidated balance sheet as of the last day of March 2025 and the last day of each business year thereafter is less than or equal to the total of the compulsory redemption value*1 under the assumption that all of the Preferred Stocks at that time have been subject to compulsory redemption with the last day of the relevant business year as the compulsory redemption date • If the amount of shareholders' equity*2 in the consolidated balance sheet as of the last day of March 2025 and the last day of each business year thereafter is less than 75% of the amount of shareholders' equity in the consolidated balance sheet as of the last day of the business year that ended immediately before or the last day of March 2024, whichever is larger • If the profit (loss) in the consolidated statement of income as of the end of March 2025 and the end of each business year thereafter is in the red for two consecutive business years • If it is discovered that the preconditions for payment have not been fulfilled on the payment date (unless, however, the underwriter waives in writing all preconditions that are not fulfilled.) • If the issuing company violates the stock investment contract and the violation is not cured for 30 days from the receipt of the notice from the underwriter indicating the fact*3

*1 "Compulsory Redemption Value" means the amount used as the basis for calculating the consideration or distribution amount in each phase of put option, acquisition claims, acquisition clauses and distribution of residual assets, which is calculated based on the following concepts: The total amount of consideration (including preferred dividends) to be paid to preferred shareholders is intended to substantially be an amount calculated by compounding the paid-in amount with the preferred dividend rate. That is, the amount obtained by deducting "the amount equivalent to paid preferred dividends (amount adjusted by applying the preferred dividend rate and calculating compound interest for the period from the payment date to the acquisition date)" from "the amount calculated by applying the preferred dividend rate and calculating compound interest for the period from the payment date to the acquisition date for the payment amount."

*2 Calculated as the amount obtained by subtracting the amount of "Non-controlling interests" from the amount of "Total net assets" in the net assets section

*3 However, in the case of a violation pertaining to a clause involved in the elimination of anti-social forces, or in the case where it is objectively impossible or extremely difficult to cure the violation, the lapse of such a cure period shall not be required

Overview of Financial Covenants (2/2)

	Descriptions
Reasons for exercising the put option with common stock	• Elapse of six months from the date on which the put option the consideration for which is a cash payment arises (including the same day) • If December 27, 2029 (5.5 years from the payment date) has passed • If dividends of surplus pertaining to the Preferred Stock with the last day of each business year as the record date have never been paid during two business years • If it is discovered that the preconditions for payment have not been fulfilled on the closing date (unless, however, the underwriter waives in writing all preconditions that are not fulfilled.) • If the issuing company violates the stock investment contract and the violation is not cured for 30 days from the receipt of the notice from the underwriter indicating the fact*1

*1 However, in the case of a violation pertaining to a clause involved in the elimination of anti-social forces, or in the case where it is objectively impossible or extremely difficult to cure the violation, the lapse of such a cure period shall not be required

Use of Funds from the Relevant Class Stocks

In order to provide high-value-added products that respond to the evolution of mobility, we will devote funds to next-generation products that will generate future profits, such as thermal management systems and chassis systems in the automotive business area, and EV drive systems and life support systems in the motorcycle business area, and promote resource shifts to our growth portfolio.

Specific use	Amount	Scheduled spending period
Launch of new products for the automotive market, launch of products for new customers, and introduction of new machinery and molds and capacity reinforcement to expand sales to existing customers	7,600 million yen	July 2024 - March 2028
Launch of new products for the motorcycle market, introduction of new machinery and molds to launch products for new customers, etc.	2,060 million yen	July 2024 - March 2028

Reference) Business Portfolio Strategy (1/2)

MITSUBA 株式会社 ミツバ

Automotive Market

Policies for managing the business portfolio

Low — Priority of the investment area — High

Operating margin: High / Low

We will promote the strategic **withdrawal and reduction** of products whose demand is decreasing or that will not generate cash in the future

Engine accessories



Starter motors



Brush fan motors

FY27 ← FY23

Convenience and comfort

FY27



Power windows

FY23

We will aim for **improvements in the profitability** of products whose demand is expected to remain constant from now on

Door opening and closing

FY27



PSD

FY23

Field-of-vision systems

FY27

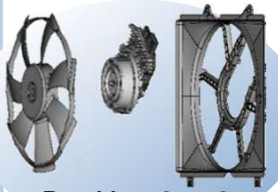
FY23



Wipers

We will invest cash in businesses that will generate cash in the future and be **the pillars of the next generation**

Thermal management systems



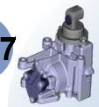
Brushless fans & shrouds

FY27

Chassis systems

FY23

FY27



Electric oil pump



BLM for brake control

FY23

We will concentrate management resources to cultivate **the pillars of the next generation** that will generate profits

(Note) Bubble size: Net sales
The products pictured are representative

Low — Customer market needs — High

Reference) Business Portfolio Strategy (2/2)

MITSUBA 株式会社 ミツバ

Motorcycle market

Policies for managing the business portfolio

Low — Priority of the investment area — High

Operating margin: High / Low

We will promote the strategic **withdrawal and reduction** of products whose demand is decreasing or that will not generate cash in the future

We will aimfor **improvements in the profitability** of products whose demand is expected to remain constant from now on

LED lightings



LED flasher lamps

FY27 ← FY23

FY27 ← FY23

Fuel systems



Fuel pump module

FY27 ← FY23

Engine accessories



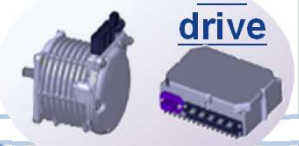
Starter motors



ACG starters

We will invest cash in businesses that will generate cash in the future and be **the pillars of the next generation**

EV drive



Drive systems

FY27

FY23

We will concentrate management resources to cultivate **the pillars of the next generation** that will generate profits

Low — Customer market needs — High

(Note) Bubble size: Net sales
The products pictured are representative

Reference) Comparison of Economic Conditions between the Existing Class Stocks and the Relevant Class Stocks

Realize a design that reduces the risk of potential stock dilution and has no redemption factor

		Class A stock	Class C stock	(Reference) Class B stock	Class D stock
Issue amount		10 billion yen (After considering partial redemption)	5 billion yen	(Unissued)	10 billion yen
Transfer restrictions		**Release of transfer restrictions effective from May 10, 2023**[*1]		None	**Yes**
Acquisition clause (MITSUBA's right)		Class stocks can be redeemed at any time from the issue date			Redeemable after one year of issuance
Put option (Rights of Allottees)	Consideration	• Common stock • Money + Class B stock	• Common stock	• Common stock	• Money • Common stock
	Conversion to common stock	**Since May 10, 2023, it has been possible to exercise the put option due to the occurrence of grounds for conversion restriction cancellation**		No conversion limit	**After six months from the occurrence of the put option with cash consideration**[*2]
Maximum dilution rate		**Approximately 57.31%**[*3] (After considering partial redemption)	**Approximately 28.65%**[*3]	Approximately 13.75%[*3]	**Approximately 31.59%**[*3]
Redemption factor		**1.24**[*4]	**1.51**[*4]	1.05	**No setting**
Preferred dividend rate		6.0%	0.0%	8.0%	7.8%

*1 According to the shock investment contract, approval by the Board of Directors is required for transfer to a third party by June 30, 2024. Transfer restrictions are lifted in certain cases.
*2 Exercisable in case of non-payment of preferred dividend for two consecutive years, non-fulfillment of payment prerequisite, or violation of stock investment contract
*3 Class D stock Maximum dilution rate is calculated based on the initial conversion price. The dilution rate is based on the assumption that neither the amount equivalent to cumulative unpaid dividends nor the daily unpaid preferred dividend amount exists.
*4 Factor for redemption between July 1, 2023 and June 30, 2024



~ End of Presentation ~