

July 19, 2021

To Whom it May Concern:

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 Representative: President & Representative  
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**Announcement regarding the finalization of the terms of issuance for convertible bonds maturing 2026 and the finalization of the terms of issuance for moving strike warrants expiring 2026**

The Company previously announced that at the meeting of the Board of Directors held on July 15, 2021 (hereinafter referred to as the “issuance resolution date”), it resolved to issue the following by way of third-party allotment:

1. [Kanamic Network Co., LTD. 1st series Unsecured Convertible Bonds with Stock Acquisition Rights (with inter-bond pari passu clause) with 120% soft call provision] (maturity: 2026, aggregate face value: 2 billion yen, hereinafter referred to as “Bonds with Stock Acquisition Rights”, with the bonds thereof referred to as “Bonds”)
2. [Kanamic Network Co., LTD 3rd series Stock Acquisition Rights (Moving Strike Warrant)] (hereinafter referred to as “Stock Acquisition Rights”)

At a subsequent meeting of the Board of Directors held on July 19, 2021 (hereinafter referred to as the “term-setting date”), the Company has resolved on the terms of issuance thereof; and the Company hereby announces information which had been undetermined as of the announcement on the “issuance resolution date”. For details regarding the issuance, please refer to the announcement made on the “issuance resolution date”, titled “*Announcement regarding the issuance of convertible bonds maturing 2026 and the issuance of moving strike warrants*”.

1. Overview of the allotment

Today, the Company has resolved on each of the terms listed in the tables below regarding the “Bonds with Stock Acquisition Rights” and the “Stock Acquisition Rights”. The Company has resolved to issue the “Bonds with Stock Acquisition Rights” and the “Stock Acquisition Rights” based on the tables below as well as on the information contained in the attached “Terms of Issuance” documents.

< Overview of the Bonds with Stock Acquisition Rights >

(1)	Date of allotment	August 4, 2021
(2)	Amount paid-in for the bonds and stock acquisition rights	Bonds: The amount paid-in will be JPY 100,200,000 per JPY 100,000,000 in face value (JPY 100.2 per JPY 100 in face value of each bond). Stock Acquisition Rights: No monetary payment is required in exchange for stock acquisition rights.
(3)	Number of potential shares upon issuance	2,408,767 Shares (1) The number of potential shares mentioned assumes that the entirety of the Bonds with Stock Acquisition Rights are converted at the initial conversion price. (2) There is no maximum conversion price (3) The number of shares that would be delivered assuming that the entirety of the Bonds with Stock Acquisition Rights are converted at this minimum conversion price (defined below) is 3,252,032 shares

(4)	Amount of funds to be procured	JPY 2,004,000,000
(5)	Conversion price	Initial conversion price: JPY 830.3 As stated in the Terms of Issuance document for the Bonds with Stock Acquisition Rights, Paragraph 12-Item (6)-④, there is a possibility that the conversion price may be revised downward (only once). However, if the post-revision price conversion price is below 615 yen (hereinafter the “minimum conversion price”), then the minimum conversion price shall be taken as the conversion price.

< Overview of the Stock Acquisition Rights >

(1)	Date of allotment	August 4, 2021
(3)	Issue price of the Stock Acquisition Rights	93 yen per stock acquisition right (total amount of 4,464,000 yen)
(5)	Amount of funds to be procured	2,936,464,000 yen
(6)	Exercise price and conditions of moving strike	The initial exercise price shall be 615 yen. Whenever Stock Acquisition Rights are exercised, the exercise price shall be revised to an amount equivalent to 93%, (calculation shall be made to the second decimal place, then rounded up to one decimal place), of the closing price for the Company’s common stock in the ordinary trading session at the Tokyo Stock Exchange on the trade date immediately preceding the effective date of the exercise request (or, if no closing price is quoted on that date, the closing price of the date immediately preceding that). If, however, this revised exercise price falls below 615 yen (hereinafter the “minimum exercise price”), the exercise price shall become the minimum exercise price.

(\*) The amount of funds to be procured is calculated by summing the aggregate amount paid-in for the Stock Acquisition Rights and the total value of assets to be contributed upon exercise of the Stock Acquisition Rights and then from this amount subtracting the estimated amount of issuance expenses incurred in relation to the Stock Acquisition Rights. If the exercise price is revised or adjusted, the amount of funds to be procured will increase or decrease. Also, if stock acquisition rights are not exercised within their exercise period, or if the Company cancels stock acquisition rights that it acquires, the above amount of funds to be procured will decrease.

2. Amount, Purpose, and Scheduled Timing of Disbursement of Funds to be Procured

(1) Amount of Funds to be Procured (Actual Funds Raised)

①	Total Paid-in Amount	4,960,464,000 yen
	Total Paid-in Amount of the Bonds with Stock Acquisition Rights	2,004,000,000 yen
	Issue Price of the Stock Acquisition Rights	4,464,000 yen
	Amount of funds to be procured from exercise of stock acquisition rights	2,952,000,000 yen
②	Estimated Cost of Issuance	20,000,000 yen
③	Actual Funds Raised	4,940,464,000 yen

- (\*)
1. The total paid-in amount is the sum of the Paid-in amount of the Bonds with Stock Acquisition Rights, The Issue Price of the Stock Acquisition Rights, and the amount of funds to be procured from exercise of stock acquisition rights.
  2. The above amount of funds to be procured from exercise of stock acquisition rights assumes that all stock acquisition rights are exercised at the initial exercise price. If the exercise price is revised or adjusted, then the Total Paid-in Amount, the Amount of funds to be procured from exercise of stock acquisition rights, and Actual Funds Raised may increase or decrease. In addition, if the stock acquisition rights are not exercised within the exercise period, then the Total Paid-in Amount, the Amount of funds to be procured from exercise of stock acquisition rights, and Actual Funds Raised may decrease.
  3. Consumption tax, etc. is not included in the Estimated Cost of Issuance

4. The Estimated Cost of Issuance includes attorneys' fees, registration costs, financial representative costs, and the costs of performing valuations through third-party valuation firm

(2) Purpose of the Funds to Be Secured

Specific Purpose	Estimated Amount (Millions of Yen)	Scheduled Timing of Use
M&A funds to realize growth	4,940	August 2021- May 2026

(\*) Until the funds raised are actually spent, they will be managed in a bank account.

The proceeds from the issuance of the Bonds with Stock Acquisition Rights and the Stock Acquisition Rights will be as funding for M&A undertakings aimed at realizing growth. The entire amount will be used to invest in M&A by May 2026. If the full amount of funds is not allocated to M&A during the above scheduled expenditure period, the Company plans to continue to allocate it to M&A activities after that period. Going forward, the Company will actively consider routes for implementation of its vision-driven M&A strategy based upon the Company's vision of "helping people and communities with a cloud service for all stages in life". As relates to M&A, the Company has a particularly strong interest in developing its "content" (with a focus on PHR solutions that empower children, adults and seniors alike with Personal Health Data), expanding its "reach" (the company will aspire to a global userbase both in Japan and abroad), and strengthening and expanding upon its "platform" (with a focus on building out a healthcare platform for adding value to people and businesses). Toward this end, companies that contribute to further expansion of existing businesses, expansion of service areas for the purpose of strengthening platform functions, entry into real-services such as healthcare services, overseas expansion, and strengthening of the brand portfolio, etc. will be targeted.

3. Rationality of the terms of issuance

(1) Basis of the calculation of the amount to be paid in and the details thereof

< Bonds with Stock Acquisition Rights >

In order to ensure fairness in determining the terms for issuing the Bonds with Stock Acquisition Rights, the Company requested an independent third-party valuation organization, Akasaka International Accounting Co., Ltd. (President: Tomotake Kurosaki, Address: 1-1-8, Motoakasaka, Minato-ku, Tokyo, hereinafter referred to as "Akasaka International Accounting"), to value the Bonds with Stock Acquisition Rights. There is no significant conflict of interest between the third-party valuation organization and the Company or the scheduled allottee.

Akasaka International Accounting used Monte Carlo simulation, as one of the standard pricing models capable of relatively and appropriately reflecting the conditions stipulated in the terms of issuance for the Bonds with Stock Acquisition Rights. In consideration of the various conditions, valuation, and record date stipulated in the issuance terms for the Bonds with Stock Acquisition Rights as well as rights exercise behavior of the Company and the scheduled allottee and the stock holding trends of the scheduled allottee, Akasaka International Accounting established certain assumptions (regarding the conversion price level, 120% soft call provision, put option provision, downward revision provision, etc., and the period and stock price level during which soft call is possible, and also included assumptions regarding the exercise of the Stock Acquisition Rights by the scheduled allottee of the Bonds with Stock Acquisition Rights and the prompt disposal of the delivered shares with this market activity accounting for within 12.5% of trade volumes of the stock of the Company) and performed a valuation of the Bonds with Stock Acquisition Rights given these assumptions.

In order to incorporate the effects of stock price movements, etc. occurring after the "issuance resolution date" into the valuation of the amount to be paid in for the Bonds with Stock Acquisition Rights, the Company decided to value the amount to be paid-in for the Bonds with Stock Acquisition Rights on both the "issuance resolution date" and on the "term-setting date", using the same method. The company decided, moreover, that if the lower limit of the valuation range calculated on the "term-setting date" was above the amount to be paid-in calculated on the "issuance resolution date", then the lower limit of the valuation range resulting from the calculation on the "term-setting date" would be taken as the amount to be paid-in for the Bonds with Stock Acquisition Rights.

Based upon the valuation range of 99.3 yen to 101.2 yen per 100 yen of face value which was calculated by Akasaka International Accounting on the “issuance resolution date” (in the manner specified above), the Company, following discussions with the scheduled allottee (premised upon not adopting an amount below the lower limit of the valuation range), had decided, as of the “issuance resolution date”, that the amount to be paid-in for the Bonds with Stock Acquisition Rights was to be tentatively set to 100.2 yen per 100 yen of face value. Following this, an updated valuation range of 99.2 yen to 101.1 yen per 100 yen of face value was calculated on the “term-setting date”. The lower limit of the updated valuation range, 99.2 yen, was not above 100.2 yen, so the amount to be paid in for the Bonds with Stock Acquisition Rights was finalized at 100.2 yen per 100 yen of face value. That said, there is a possibility that the conversion price may be reset downward (only once) one year and six months after the date of allotment; but the conversion price will not be reset below the minimum conversion price. The minimum conversion price of the Bonds with Stock Acquisition Rights shall be 615 yen, the same as the acquisition price paid per share at the Treasury Stock Acquisition conducted on July 16, 2021 (the closing price for the Company’s common stock in the ordinary trading session at the Tokyo Stock Exchange on July 15, 2021); And compared with similar past examples of issuance of bonds with stock acquisition rights, this level was not deemed to be excessively low or unreasonable.

Given that in valuing the Bonds with Stock Acquisition Rights, Akasaka International Accounting took factors that could impact fair value into consideration and used Monte Carlo Simulation, which is generally used for valuing bonds with stock acquisition rights, and that Akasaka International Accounting’s valuation is rational and fair—and given that the pay-in amount was set neither below the lower limit of the valuation range calculated on the “issuance resolution date” nor below the lower limit of the valuation range calculated on the “terms-setting date”, it is judged that the issuance of the Bonds with Stock Acquisition Rights does not represent an “issuance on particularly favorable terms to the allottee” and that the pay-in amount for the Bonds with Stock Acquisition Rights is proper and rational.

Additionally, this decision by the Board of Directors (that the issuance of the Bonds with Stock Acquisition Rights does not represent an “issuance on favorable terms to the allottee”) was judged by all three auditors of the Company (including two outside auditors) as not violating the law.

#### < Stock acquisition rights >

In determining the terms of issuance for the Stock Acquisition Rights, the Company requested Akasaka International Accounting to value the issue price of the Stock Acquisition Rights to affect fair pricing. Akasaka International Accounting, in light of the exercise price of the Stock Acquisition Rights, the exercise period, the stock price of the Company’s shares, volatility in the stock price, the dividend yield, the risk-free interest rate, the Company’s funding demand and rights exercise behavior, the scheduled allottee’s shareholding trends and rights exercise behavior, and the cost the scheduled allottee bears upon disposal of shares, valued the Stock Acquisition Rights using Monte Carlo Simulation, which is generally used in valuations of stock acquisition rights, while making certain assumptions (including that the demand for financing of the Company will be uniformly distributed across the exercise period, that exercise will not be suspended at times when the Company has demand for financing, that acquisition via notification will not be carried out by the Company, that as long as the exercise of rights is not suspended, the scheduled allottee will promptly exercise rights and sell shares to within a certain percentage (12.5%) of the market volume, and that if when the allottee exercises the Stock Acquisition Rights the Company implements, at that time, a public offering, then cost of the same levels as the cost incurred as a result of the public offering would be incurred by the scheduled allottee).

In order to incorporate the effects of stock price movements, etc. occurring after the “issuance resolution date” into the valuation of the issue price for the Stock Acquisition Rights, the Company, decided to value the issue price for the Stock Acquisition Rights on both the “issuance resolution date” and on the “term-setting date”, using the same method. The company decided, moreover, that the higher of the two valuations would be used in finalizing the issue price for the Stock Acquisition Rights.

Based upon the valuation of 93 yen per Stock Acquisition Right, which was calculated by Akasaka International Accounting on the “issuance resolution date” (in the manner specified above), the Company, following discussions with the scheduled allottee, had decided, as of the “issuance resolution date”, that the issue price of 1 Stock Acquisition Right would be tentatively set to 93 yen. Following this, an updated valuation of 90 yen was calculated on the “terms-setting date”. Following discussions with the scheduled allottee, the valuation amount for the “terms-setting date” was set to

this amount (90 yen). The result of the valuations performed on both days were then compared, and, in the interest of existing shareholders, the issue price for 1 Stock Acquisition Right was finalized at 93 yen.

Given that in valuing the Stock Acquisition Rights, Akasaka International Accounting took factors that could impact fair value into consideration and used Monte Carlo Simulation, which is generally used for valuing stock acquisition rights and that Akasaka International Accounting's valuation is rational and fair—and given that the issue price was set as the higher of the valuation performed on the “issuance resolution date” and the valuation performed on the “terms-setting date”, it is judged that the issuance of the Stock Acquisition Rights does not represent an “issuance on particularly favorable terms to the allottee” and that the issue price for the Stock Acquisition Rights is proper and rational.

Additionally, this decision by the Board of Directors (that the issuance of the Stock Acquisition Rights does not represent an “issuance on favorable terms to the allottee”) was judged by all three auditors of the Company (including two outside auditors) as not violating the law.

(2) Grounds for determining that the issuance quantity and scale of share dilution is reasonable

The estimated total number of shares to be delivered is 7,208,767 (72,087 voting rights). This was calculated by summing (1) the number of shares to be delivered assuming the entirety of the Bonds with Stock Acquisition Rights are converted at the initial conversion price (2,408,767 shares ; 24,087 voting rights), and (2) the number of shares to be delivered assuming the entirety of the Stock Acquisition Rights are exercised (4,800,000 shares; 48,000 voting rights). In this case, the equity dilution ratio (The denominator is 48,132,000 shares (481,216 total voting rights), which is the total number of issued shares of the Company as of March 31, 2021. The same applies below.) would be equivalent to 14.98% (The ratio for voting rights would be 14.98% of the total number of voting rights.)

The minimum conversion price of the Bonds with Stock Acquisition Rights shall be 615 yen, the same as the acquisition price per share of the Treasury Stock Acquisition. If it is assumed, instead, that the entirety of the Bonds with Stock Acquisition Rights was converted at this minimum conversion price, then the number of shares that would be delivered is 3,252,032 (32,520 voting rights). Assuming that the entirety of the Stock Acquisition Rights was also exercised (4,800,000 shares, 48,000 voting rights), then the total number of shares to be delivered in this case would be 8,052,032 (80,520 voting rights) and the equity dilution ratio would be equivalent to 16.73% (The ratio for voting rights would 16.73% of the total number of voting rights.)

However, given that by allocating the funds procured to the purposes described in "2. Amount of funds to be procured, use and scheduled expenditure (2) Specific use of funds to be procured" above, the Company will further expand its existing business and further strengthen its platform functions to accelerate growth. Going forward, the Company will actively consider routes for implementation of its vision-driven M&A strategy based upon the Company's goal of developing its platform with a focus on PHR solutions that empower children, adults and seniors alike with Personal Health Data, expanding its “reach” (the company will aspire to a global userbase both in Japan and abroad), and strengthening and expanding upon its “platform” (with a focus on building out a healthcare platform for adding value to people and businesses). Toward this end, companies that contribute to further expansion of existing businesses, expansion of service areas for the purpose of strengthening platform functions, entry into real-services such as medical and healthcare services where data that can be used to quickly improve the platform can be gathered, overseas expansion, strengthening of the brand portfolio, developing health tech / AI solutions etc. will be targeted. In the medium to long term, pursuing M&A opportunities will lead to an increase in corporate value, and, therefore, the Company believes that the scale of dilution is rational.

Moreover, regarding the financing, summing the number of shares to be delivered if all of the Bonds with Stock Acquisition Rights were to be converted at the initial conversion price, 2,408,767, and the number of shares to be delivered if all of the Stock Acquisition Rights were to be exercised, 4,800,000, yields a total of 7,208,767 shares. By comparison, the average daily trading volume of the Company's common stock on the Tokyo Stock Exchange over the past 6 months is 223,914 shares, and given there is a certain degree of liquidity, this financing is judged to be not of a scale that would cause an excessive market impact and it is judged that the scale of dilution is reasonable.

(Attachment 1 )

Kanamic Network Co., LTD.

1st series Unsecured Convertible Bonds with Stock Acquisition Rights (with inter-bond pari passu clause) with 120% soft call provision

Terms of Issuance

1. Name of the Bonds  
Kanamic Network Co., LTD. 1st series Unsecured Convertible Bonds with Stock Acquisition Rights (with inter-bond pari passu clause) with 120% soft call provision (hereinafter referred to as "Bonds with Stock Acquisition Rights" with the bond portion thereof referred to as "Bonds" and the stock acquisition rights portion thereof referred to as "Stock Acquisition Rights").
2. Total Issuance  
2 billion yen
3. Price per bond  
100,000,000 yen
4. Applicability of the Act Concerning Book-Entry Transfer of Corporate Bonds and Other Securities  
The Bonds with Stock Acquisition Rights are subject to the provisions of the Act Concerning Book-Entry Transfer of Corporate Bonds and Other Securities (hereinafter the "Act on Book-Entry Transfer of Corporate Bonds"). The Bonds shall be treated in accordance with the Act on Book-Entry Transfer of Corporate Bonds, as well as the operational rules and other rules of the book-entry transfer institution (as stipulated in Paragraph 22). Unless the holder of the Bonds with Stock Acquisition Rights (hereinafter the "Bondholder") has the right to request issuance of bond certificates in relation to the Bonds with Stock Acquisition Rights in accordance with the Act on Book-Entry Transfer of Corporate Bonds, such bond certificates will not be issued. If bond certificates are, in accordance with Act on Book-Entry Transfer of Corporate Bonds, issued in relation to the Bonds with Stock Acquisition Rights, then the pertaining bond with stock acquisition rights certificates shall be issued in bearer form and the Bondholder shall not have the right to request them to be issued in registered form.
5. Interest rate  
the Bonds shall bear no interest
6. Amount to be paid in  
The amount shall be 100.2 yen per 100 yen of par value.
7. Redemption amount upon maturity  
The Bonds shall be redeemed at 100 yen per 100 yen of face value.  
However, in the case of early redemption, the amount shall be the amount specified in Paragraph 11, Items (3) to (7) or Item (10).
8. Transfer of the stock acquisition rights or bonds  
Pursuant to Article 254-2 and 3 of the Companies Act, "bonds with stock acquisition rights" may neither be split into stock acquisition rights and bonds nor be transferred separately.
9. Collateral or guarantee  
The Bonds with Stock Acquisition Rights are not collateralized or guaranteed, nor have any assets been set aside for the Bonds with Stock Acquisition Rights.
10. No bond manager established  
The Bonds with Stock Acquisition Rights meet the requirements of the proviso to Article 702 of the Companies Act and no bond manager will be established.
11. Redemption and term of the bonds  
(1) The entirety of the Bonds shall be redeemed on August 4, 2026. However, for early redemptions the stipulations laid out in Paragraph 11, Items (3) to (7) or Item (10) shall apply.

- (2) If the date of redemption (including the date of early redemption of the Bonds pursuant to the provisions of Paragraph 11, Items (3) to (7) or Item (10), hereinafter the “the redemption date”) falls on a Tokyo bank holiday, the date shall be moved forward to the preceding banking business day.
- (3) Early redemption by the 120% soft call
- ① In the event that the closing prices (including indicative quotes) of the common shares of the Company in the regular trading on the Tokyo Stock Exchange on each day for a period of 20 consecutive trading days (“trading day” shall mean a day when regular trading on the Tokyo Stock Exchange of the common shares of the Company is conducted; except in the case of Item (5)-③, Item (6)-②, Item (7)-② and Paragraph 12-Item (6)-④ hereinafter the same) have been 120% or more of the conversion price that is in effect on each such trading day, then the Company may, upon giving public notice (However, the said public notice can be made no later than August 4, 2023) of the necessary matters within 15 days from the last day of such 20 consecutive trading days, redeem all (and not less than all) of the Bonds then outstanding on the Redemption Date specified in such public notice (which shall not be earlier than 30 days, nor later than sixty 60 days), from the date of such notice, at 100 yen for 100 yen of face value for each bond. However, if common stock of the Company will subject to a stock split, or gratis allotment (hereinafter “stock splits”) and applying these terms to the record date for determining which shareholders will acquire stock by such stock split or to the immediately preceding trade date thereof, then, notwithstanding the provisions of Paragraph 12-Item (9)-②, the following procedure shall be observed: Subtract the number of shares outstanding of common stock of the Company on each day from the number of shares of common stock of the Company that had been outstanding on the corresponding day of the previous month (if it doesn't exist then the corresponding day for month before that) and apply the “New Issuance Conversion Price Adjustment Formula” stipulated in Paragraph 12-Item(8) with the difference calculated above taken as the “number of shares already issued” and the number of shares to be delivered through the split taken as the “Number of shares delivered during said period” and thereby calculate the valid conversion price for each day.
- ② Once the Company has issued public notice pursuant to ① hereof, it may not rescind or cancel such early redemption notice.
- (4) Early redemption by the Clean-up Clause
- ① If on any day occurring before the Company makes public notice of redemption, the outstanding principal balance of the Bonds is less than 10% of the face value upon issuance, then upon giving public notice of the necessary matters, redeem all (and not less than all) of the Bonds then outstanding on the Redemption Date specified in such public notice (which shall not be earlier than 30 days, nor later than sixty 60 days, from the date of such notice), at 100 yen for 100 yen of face value for each bond.
- ② Once the Company has issued public notice pursuant to ① hereof, it may not rescind or cancel such early redemption notice.
- (5) Early redemption due to corporate restructuring
- ① In the event that Corporate Restructuring Activities (defined in ⑤) are approved at a general shareholders' meeting of the Company, (or resolved by the board of directors or other body within the company in accordance with the Companies Act in the event that shareholder approval at a general shareholders' meeting is not required), If, by the day of the approval or resolution regarding Corporate Restructuring Activities (hereinafter the "Corporate Restructuring Activities Approval Date" ), a certificate, stating that there is—for whatever reason—no plan for shares of common stock of the Surviving Entity (defined in ⑥) to be listed on any financial instruments exchange on the effective date of the "Corporate Restructuring

Activities”, is signed by the representative of the Company and issued to the fiscal agent, then the company shall, by providing public notice no later than 30 days before the redemption date (the redemption date shall be on or before the said Corporate Restructuring Activities go into effect and shall be a banking day), redeem all outstanding Bonds (without exception) at the redemption price determined in accordance with ② to ④ (hereinafter the “Corporate Restructuring Activities Redemption Price”).

- ② When the “reference parity” (defined in ③) exceed 100%, then the “Corporate Restructuring Activities Redemption Price” per 100 yen of face value shall be the amount obtained by multiplying 100 yen by the “reference parity”. When the “reference parity” is below 100%, then the “Corporate Restructuring Activities Redemption Price” per 100 yen of face value shall be 100 yen.
- ③ In the event that ordinary shareholders of the Company are paid out in cash only due to “Corporate Restructuring Activities”: “Reference parity” shall be the value calculated by dividing the amount of cash payable per share of common stock by the valid conversion price as of the “Corporate Restructuring Activities Approval Date” (calculated to 5 decimal places with the last digit rounded to the fourth decimal place, where 5 is rounded up and 4 down, and shown as a percentage). For cases other than that described in (B.) above: “Reference parity” shall be the value calculated by dividing the average Closing Price (defined below) for common stock of the Company in ordinary trading on the Tokyo Stock Exchange (“TSE”) for five consecutive “Trading Days” (defined below) beginning on the “Trading Day” immediately after the date on which the Company’s Board of Directors or other body, pursuant to the Companies Act, resolves or approves the terms and conditions of the “Corporate Restructuring Activities”, including the amount of payment or issue to be made in relation to the said “Corporate Restructuring Activities” (or the date on which the terms and conditions of the said “Corporate Restructuring Activities” are publicly announced if said announcement is made after the date of the resolution or approval by the Board), by the valid conversion price on the fifth consecutive “Trading Day” (calculated to 5 decimal places with the last digit rounded to the nearest fourth decimal place, where 5 is rounded up and 4 down, and shown as a percentage). However, if the redemption date falls between July 22, 2026 (including this date) and August 3, 2026 (including this date), then the “Corporate Restructuring Activities Redemption Price” shall be 100% of face value. Within ③, Item 6 ②, Item 7 ②, and Paragraph 12 Item (6) ④, the term “Trading Day” shall mean a day on which shares of Common stock of the Company are traded normally on the TSE, excluding days on which there is no closing price (including indicative quotes) for common stock of the Company. Should the conversion price described in Paragraph 12 Items 9 and 10 or Item 14 need to be changed for any reason during the said five “Trading Days”, the average Closing Price for Common stock of the Company over the said five “Trading Days” shall be reasonably adjusted.
- ④ “Corporate Restructuring Activities” herein refers to activities such as (B.) mergers in which The Company is the extinguishing entity, (c.) absorption-type company splits or incorporation-type company splits in which The Company is the split-off entity (limited to cases in which the Surviving Entity assumes The Company’s obligations under the terms and conditions stipulated for the Bonds), (d.) share exchange or transfer in which The Company becomes a wholly owned subsidiary of another company, or (e.) other corporate restructuring procedures under Japanese law pursuant to which the Company’s obligations under the Bond terms and conditions are assumed by another company.
- ⑤ (A.) “Surviving Entity” is a general term that refers to corporations specified in (B.) through (g.) below.



- (B.) surviving company in an absorption-type merger or new company in a consolidation-type merger
- (c.) succeeding company in an absorption-type company split
- (d.) new company in an incorporation-type company split
- (e.) parent company in a share exchange
- (f.) the absolute parent company in a share transfer
- (g.) any similar company (excluding those already listed in (B.) through (f.)), deriving from corporate restructuring procedures pursuant to Japanese laws, that assumes the obligations of the Company

⑥ Once the Company has issued a notice pursuant to ① hereof, it may not rescind or cancel such early redemption notice.

(6) Early redemption due to delisting, etc.

① (B.) In the event that a company or the party makes a public tender offer for common stock of the Company pursuant to the Financial Instruments and Exchange Act, (c.) and the Company expresses its consent to the said public tender offer (d.) and as a result of the public tender offer, the Company or the party that has made the public tender offer announces or agrees that common stock of the Company may be delisted from all financial instrument exchanges in Japan on which common stock of the Company is listed (excluding, however, cases where the Company or the party making the tender offer has publicly announced that it will make efforts to retain listed common stock of the Company after the said public tender offer); (e.) if the party that has made the public tender offer acquires common stock of the Company as a result of it, then upon public notice (of the redemption date, redemption price, and other necessary particulars) within 15 days from the date of the acquisition of Common stock of the Company through such a tender offer (i.e. the date on which settlement of the tender offer is commenced), all remaining Bonds (without exception) will be redeemed on the redemption date (this redemption date shall be within at least 30 days but no more than 60 days after the date of the notification). And the Bonds shall be redeemed at an amount in accordance with ② (hereinafter, the “Delisting Redemption Price”).

② The “Delisting Redemption Price” is calculated by the same method as the “Corporate Restructuring Activities Redemption Price” calculation method described in Item (5). (B.) If only cash is offered as payment to ordinary shareholders of the Company through the public tender offer: “reference parity” shall be the value calculated by dividing the amount of cash payable per share of common stock by the valid conversion price as of the last day of the tender offer period (calculated to 5 decimal places with the last digit rounded to the fourth decimal place, where 5 is rounded up and 4 down, and shown as a percentage). (c.) For cases other than that described in (B.) above: “reference parity” shall be the value calculated by dividing the average Closing Price for common stock of the Company in ordinary trading on the Tokyo Stock Exchange (“TSE”) for five consecutive “Trading Days” ending on the “Trading Day” last day of the tender offer period, by the valid conversion price on the fifth consecutive “Trading Day” (calculated to 5 decimal places with the last digit rounded to the nearest fourth decimal place, where 5 is rounded up and 4 down, and shown as a percentage). However, if the redemption date falls between July 22, 2026 (including this date) and August 3, 2026 (including this date), then the “Delisting Redemption Price” shall be 100% of face value.

③ Notwithstanding ①, if the Company or the party that has made the public tender offer announces, by the last day of the tender period, its intention to, following the acquisition of the common stock of the Company through the public tender offer, carry out Corporate

Restructuring Activities or a squeeze-out as specified in Item (7), then the provisions of ① do not apply. If the "Corporate Restructuring Activities Approval Date" (or the effective date of the Squeeze-out as specified in Item (7)) fails to come about within 60 days after the acquisition of the common stock of the Company through the public tender offer, then within 15 days from the last day of the stated 60-day period, the Company shall, after providing public notice (of the redemption date, redemption price, and other necessary particulars), redeem all remaining Bonds (without exception) on the redemption date specified by the Company (this redemption date shall be within at least 30 days but no more than 60 days after the date of the notification and shall be on a bank day) and at the "Delisting Redemption Price".

- ④ If the Company becomes required to redeem the Bonds both as a result of obligations set forth in this Item as well as of a result of obligations set forth in Items (5) or (7), then the Bonds shall be redeemed in accordance with either Item (5) or Item (7).

(7) Early redemption due to squeeze-outs

- ① If the Articles of Incorporation of the Company are amended such that all common stock is converted into wholly callable shares and there is a resolution at the General meeting of shareholders to acquire all these shares at some value and if the Board of Directors resolves to consent to a demand by the controlling shareholder (defined in Article 179 (1) of the Companies Act) towards minority shareholders to sell shares or if the general meeting of shareholders resolves to consent to a reverse stock split that will be accompanied by the delisting of the company (hereinafter, "Squeeze-outs"), then within 15 days from the day in which the squeeze-out occurred, the Company shall provide public notice of the redemption date, redemption price, and other necessary particulars and then all remaining Bonds (without exception) shall be redeemed on the redemption date (this redemption date shall be before the squeeze-out goes into effect and within at least 30 days but no more than 60 days after the date of the notification. However, if the squeeze-out goes into effect earlier than 30 days after the date of the notification, then the lower limit of this timeline shall be moved forward as necessary). And the Bonds shall be redeemed at an amount in accordance with ② (hereinafter, the "Squeeze-out Redemption Price").

- ② The "Squeeze-out Redemption Price" is calculated by the same method as the "Corporate Restructuring Activities Redemption Price" calculation method described in Item (5). (B.) If only cash is offered as payment to ordinary shareholders of the Company for the squeeze-out: "reference parity" shall be the value calculated by dividing the amount of cash payable per share of common stock by the valid conversion price as of the day that the squeeze-out occurred (calculated to 5 decimal places with the last digit rounded to the fourth decimal place, where 5 is rounded up and 4 down, and shown as a percentage).(c.) For cases other than that described in (B.) above: "reference parity" shall be the value calculated by dividing the average Closing Price for common stock of the Company in ordinary trading on the Tokyo Stock Exchange ("TSE") for five consecutive "Trading Days" ending on the day that the squeeze out occurred, by the valid conversion price as of the day that the squeeze-out occurred (calculated to 5 decimal places with the last digit rounded to the nearest fourth decimal place, where 5 is rounded up and 4 down, and shown as a percentage). However, if the redemption date falls between July 22, 2026 (including this date) and August 3, 2026 (including this date), then the "Squeeze-out Redemption Price" shall be 100% of face value.

- (8) In the case of early redemption of the Bonds pursuant to the provisions of Items (3) to (7) or (10), the Stock Acquisition Rights attached to the redeemed bonds will no longer, in accordance with Paragraph 12-Item (4), be exercisable and thus be extinguished in their entirety.
- (9) If the Company makes a public notice of early redemption based on any of the provisions of Items

(3) to (7), it cannot subsequently make public notice of early redemption on the basis of different reasons. In addition, if the Company is obligated to give public notice of early redemption based on Item (5) or (7), or as stipulated in Item (6)-①-(B.) to (e.), then public notice of redemption cannot later be carried out on the basis of Item (3) or (4).

(10) Early redemption by request of the Bondholder

The Bondholder has the right to redeem the Bonds in advanced at 100% of face value on August 5, 2024 (hereinafter referred to as the "Early Redemption Date at the Request of the Bondholder"). In order to exercise this right, the Bondholder must provide notification to the Company within at least 30 days but no more than 60 days before the "Early Redemption Date at the Request of the Bondholder".

However, if the Company made public notice of early redemption based on any of the provisions of Items (3) to (7) and the public notice was made before the "Early Redemption Date at the Request of the Bondholder", regardless of which notice was made first, Items (3) to (7) shall take precedence and the early redemption shall occur in accordance with Items (3) to (7).

(11) Excerpt when forbidden by the Act on Book-Entry Transfer of Corporate Bonds or other operational rules of the Book-entry transfer institution, the Company may, at any time after the pay-in date, purchase the Bonds with Stock Acquisition Rights. If the Company extinguishes the Bonds, the Stock Acquisition Rights attached to the Bonds will no longer, in accordance with Paragraph 12-Item (5), be exercisable and thus be extinguished in their entirety.

## 12 Stock Acquisition Rights

(1) Number of Stock Acquisition Rights attached to the Bonds

Each of the Bonds shall have one Stock Acquisition Right and a total of 20 Stock Acquisition Rights shall be issued.

(2) Payment for Stock Acquisition Rights

The Stock Acquisition Rights shall not require any payment.

(3) Type of shares underlying Stock Acquisition Rights and calculation of the number of shares

The underlying shares are common shares of the Company

The number of underlying shares delivered is equal to the total face value of the Bonds with Stock Acquisition Rights exercised by the "Stock Acquisitions Rights Holder", divided by the valid conversion price at the time the exercise of such rights comes into effect (rounded down to the nearest whole number).

(4) Period during which Stock Acquisition Rights may be exercised

Holders of Stock Acquisition Rights may exercise their rights at any time between August 5, 2021 and July 21, 2026 (hereinafter "the exercise period") and thereby request the delivery of ordinary shares of the stock of the Company. However, Stock Acquisition Rights cannot be exercised during any of the periods specified below.

① The day when shareholders of common stock of the Company are finalized (i.e. the record date) and the preceding business day (when this is not a non-business day for the book-entry transfer institution)

② Any day deemed necessary by the book-entry transfer institution

③ When, during Corporate Restructuring Activities and Stock Acquisition Rights of the surviving organization are to be delivered, the Company deems it necessary to suspend (for a period specified by the Company and lasting no more than one month) exercise of Stock Acquisition Rights and provides public notice of the foregoing as well other necessary matters at least 30 days before the start of the suspension period.

④ In cases where the Bonds are redeemed prior to July 21, 2026 pursuant to the provisions of Paragraph 11, Items (3) to (7), then from the business day prior to the payment for the

redemption

- ⑤ If the bonds are to be redeemed early at the bond holder's request pursuant to the provisions of Paragraph 11, Item (10), (and thus the bond holder shall provide notice to the Company 30 to 60 days in advanced), then from the day notification is made onward
  - ⑥ When the Bonds are accelerated and the Company is thereby required to immediately pay off the principal in pursuant to Paragraph 17, then from (and including) the effective date thereof
- (5) Conditions for exercising Stock Acquisition Rights
- Stock Acquisition Rights may not be exercised in part. Moreover, in the event that the Company purchases the Bonds with Stock Acquisition Rights and extinguishes the Bonds, then the Stock Acquisition Rights may no longer be exercised.
- (6) Details of assets contributed when exercising Stock Acquisition Rights, as well as price and calculation
- ① Upon the exercise of each of the Stock Acquisition Rights, the Bonds they were affixed to shall be contributed.
  - ② The amount of assets to be contributed upon the exercise of each Stock Acquisition Right shall be equal to the face value of each Bond.
  - ③ The price used in calculating the number of shares of common stock of the Company to be delivered upon exercise of each Stock Acquisition Right (hereinafter "the conversion price", but for Item 21 the "conversion price" shall instead refer to the price used in calculating the number of shares of common stock of the Surviving Entity to be delivered upon exercise of the stock acquisition rights of the Surviving Entity) will initially be equal to 830.3 yen; but it may be revised in pursuant to ④ or adjusted in pursuant to Items (8) through (14).
  - ④ If the value calculated by multiplying the average Closing Price for common stock of the Company in ordinary trading on the Tokyo Stock Exchange ("TSE") for five consecutive "Trading Days" ending on Feb 6, 2023 (hereinafter "the determination date") by [1.00] (calculated to 2 decimal places with the last digit rounded up to 1 decimal place), then the "determination date conversion price" shall be revised to this value from February, 13, 2023 (hereinafter the "revision date") onward (however from the determination date (not including the date itself) to the revision date (including the date itself) adjustments are subject to be made in accordance with Items (8) to (14)). However, if the above calculation yields an amount less than the "minimum conversion price" (defined below), then the "minimum conversion price" shall be taken as the "post-revision conversion price". The minimum conversion price shall be 615 yen (however from the determination date (not including the date itself) to the revision date (including the date itself) adjustments are subject to be made in accordance with Items (8) to (14), in the same manner as adjustments to the "conversion price").
- (7) Matters relating to increases of capital and capital reserves upon issuing stock when stock acquisition rights of the Company are exercised
- ① The amount of capital increase upon issuing stock in relation to the exercising of Stock Acquisition Rights of the Company shall be half of the capital increase limit calculated pursuant to Article 17 of the Corporate Accounting Regulations, with any decimal place smaller than one whole yen remaining after calculation thereof rounded up to the next whole number.
  - ② The amount of capital reserves increase upon issuing stock in relation to the exercising of Stock Acquisition Rights of the Company shall be equal to the capital increase limit set out in ① less the amount by which capital is increased as per ①.
- (8) If, for any of the reasons listed in Item (9) hereof, there is a change in the number of shares of the Company's common stock issued once the Bonds with Stock Acquisition Rights have been issued or there is a chance that such a change may occur, the Company shall adjust the conversion price

pursuant to the following formula (hereinafter the "New Issuance Conversion Price Adjustment Formula").

$$\begin{array}{ccccccc}
 \text{Post-} & & & \text{Number of} & & \text{Number of} & \text{Delivery price per} \\
 \text{adjustment} & & \text{Pre-} & \text{shares} & & \text{Shares} & \times \text{ share} \\
 \text{Conversion} & = & \text{adjustment} & \text{already} & + & \text{Delivered} & \\
 \text{Price} & & \text{Conversion} & \text{issued} & & & \\
 & & \text{Price} & & & & \\
 & & & & & \text{Market Price} & \\
 & & & & & \text{Number of shares already issued + Number of Shares} & \\
 & & & & & \text{Delivered} & 
 \end{array}$$

(9) The following shall apply in the case of adjustments to the conversion price for Bonds with Stock Acquisition Rights using the New Issuance Conversion Price Adjustment Formula, and in relation to the applicable period for the post-adjustment conversion price.

① When the common stock of the Company is issued or disposed of by the Company at a paid-in price lower than the market price, as defined in Item (13) ②, is solicited (but this shall not include common stock of the Company allotted as remuneration to Directors, other officers, or employees of the Company or its affiliates ("affiliates" as stipulated in Article 8 Paragraph 8 of the Rules for the Terminology, Form, and Preparation Method of Consolidated Financial Statements)):

The post-adjustment conversion price shall apply after (and excluding) the pay-in date or the last day of the pay-in period, or (if the right to receive allocation of shares is offered), the day following the record date for determining the shareholders to be allocated such rights.

② Whenever common stock of the Company is subject to a stock split, or gratis allotment:

The post-adjustment conversion price shall apply beginning the day following the record date (or if no record date is determined, then the effective date) for determining which shareholders will acquire stock by such stock split or gratis allotment.

③ When any of the following (not including allotments of Stock Acquisition Rights to Directors, other officers, or employees of the Company or its affiliates) are issued : securities with rights exercisable for the reception of the common stock of the Company at below the price stipulated in Item 13 ② or which may be forcibly acquired against the holder (called by the issuer), securities with rights exercisable for the reception of Stock Acquisition Rights which are in turn exercisable for the reception of common stock of the Company at below the price stipulated in Item 13 or which may be forcibly acquired against the holder thereof, or Stock Acquisition Rights (including rights attached to bonds with stock acquisition rights) exercisable for the reception of common stock of the Company at below the price stipulated in Item 13 ②, then the following applies (however gratis allotment of bonds with stock acquisition rights stock acquisition rights shall be issued free of charge pursuant to the provisions set forth in ③)

The post-adjustment conversion price shall be calculated using the New Issuance Conversion Price Adjustment Formula assuming that all issued stock acquisition rights (including stock acquisition rights underlying rights attached to securities) or securities with rights have been acquired or exercised according to their original terms and common stock of the Company has been delivered. The same shall apply beginning the day following the pay-in date of such stock acquisition rights or securities with rights or the last day of the paid-in period thereof or the record date for determining the shareholders to be allocated securities pursuant to such an offer (if no record date has been determined, then the effective date thereof).

If the Company publicly announces that that it is issuing securities with rights (as in ③) or

stock acquisition rights (including in the case of gratis allotment of Stock Acquisition Rights) for the purpose of defending itself against a hostile corporate takeover, the conversion price after adjustment shall be calculated by mutatis mutandis application of the New Issuance Conversion Price Adjustment Formula, deeming all issued securities with rights as acquired, converted, exchanged or exercised, and common shares as delivered as of the date on which such acquisition, conversion, exchange or exercise and delivery of common shares is permitted under the terms and conditions thereof (the "Commencement Date of Conversion and Exercise"). The conversion price after adjustment shall apply beginning the day after the Commencement Date of Conversion and Exercise.

- ④ When a record date is set and ① through ③ above are subject to approval by the Board of Directors, or shareholder approval at a general shareholders' meeting, or other body of the Company, then notwithstanding the provisions of ① through ③ above, the post-adjustment conversion price shall apply beginning the day after the date on which such approval is granted. In such a case as described above, the common stock of the Company will be delivered to persons holding Stock Acquisition Rights who have requested to exercise such rights after the record date but before the date on which such approval was granted, in accordance with the following formula.

$$\text{Number of shares} = \frac{\left( \begin{array}{c} \text{Pre-} \\ \text{adjustment} \\ \text{Conversion} \\ \text{Price} \end{array} - \begin{array}{c} \text{Post-} \\ \text{adjustment} \\ \text{Conversion} \\ \text{Price} \end{array} \right) \times \begin{array}{c} \text{Number of shares delivered} \\ \text{during said period at pre-} \\ \text{adjustment conversion} \\ \text{price} \end{array}}{\text{Post-adjustment Conversion Price}}$$

Units of less than one share arising as a result of such calculation shall be disregarded and exempt from any cash settlement.

- (10) If the Company makes any special dividends pursuant to Item 11 hereof after issuing the Bonds with Stock Acquisition Rights, the conversion price shall be adjusted pursuant to the following formula (hereinafter, the "Special Dividend Conversion Price Adjustment Formula"). This formula, along with the New Issuance Conversion Price Adjustment Formula, shall be collectively referred to as the "Conversion Price Adjustment Formula".

$$\text{Post Adjustment Conversion Price} = \text{Pre-adjustment Conversion Price} \times \frac{\text{Market price} - \text{Amount of per-share special dividend}}{\text{Market Price}}$$

"Per-Share Special Dividend" herein refers to the special dividend divided by the number of shares underlying Stock Acquisition Rights per bond amount (100,000,000 yen) as of the last record date during the fiscal year related to distribution of surplus funds. Per-share special dividend shall be calculated to two decimal places below one whole yen, then rounded off to a single decimal place (any figure of 5 and above will be rounded up and 4 or below will be rounded down).

- (11)① "Special Dividend" herein refers to any excess amount obtained when the cumulative amount of surplus dividends per share of the Company common stock on each record date during each fiscal year through July 21, 2026 (including money payable pursuant to the provisions of Articles 455-2 and 456 of the Companies Act; in the event of distribution in kind, the amount of distribution shall be the book value of such distribution in kind) multiplied by the number of shares subject to the Stock Acquisition Rights per amount (100,000,000 yen) of each Bond as

- of such record date exceeds 301,096 yen (reference distribution amount). Such surplus amount (or the rationally calculated amount in the case that the Company changes the date of its Fiscal Year End) shall be hereinafter referred to as "Special Dividend".
- ② The conversion price adjustment for special dividends shall apply from the tenth day of the month following passage of a resolution to distribute surplus funds pursuant to Article 454 or 459 of the Companies Act for the final record date in relation to distributions in each fiscal year.
- (12) When the difference between the conversion price calculated using the New Issuance Conversion Price Adjustment Formula and the pre-adjustment conversion price is less than one yen, no conversion price adjustment shall be made. If the conversion price needs to be calculated again due to a need for adjustment thereafter, the difference shall be deducted from the pre-adjustment conversion price to be used in the conversion price adjustment formula.
- (13)① Calculations with the conversion price adjustment formula shall be calculated to two decimal places, then rounded off to a single decimal place
- ② The market price to be used in the Conversion Price Adjustment Formula shall be the average Closing Price of the common stock of the Company over 30 Trading Days (excluding days on which there is no Closing Price) commencing on the 45th Trading Day prior to the date the post-adjustment conversion price was applied (or the record date in the case of Item (9) ④ hereof, or the last record date for the dividend of the fiscal year in case of the Special Dividend Conversion Price Adjustment Formula).  
In such a case, the average price shall be calculated to two decimal places, then rounded off to a single decimal place.
- ③ The number of shares already issued using the New Issuance Conversion Price Adjustment Formula shall be the number of issued shares of Common stock of The Company as of 30 days prior to the date on which the post-adjustment conversion price was applied, or, when shareholders are offered rights to receive allocation of stock, as of the record date for determining the shareholders to be allocated such rights, less the number of shares of common stock of The Company held by the Company as of such date, plus the number of unissued shares of common stock of the Company that are deemed to have been counted pursuant to Items 9 and 14 hereof before the said conversion price was adjusted. In the case common stock of the Company is split, the number of shares to be delivered in the Price Issuance Conversion Price Adjustment Formula shall not include the number of common shares allotted to the common shares held by the Company as of the record date.
- (14) In the following cases, other than adjustment of the conversion price pursuant to Items 9 and 10, the Company shall perform the necessary conversion price adjustment.
- ① When a conversion price adjustment is necessary due to a stock merger, merger, company split or share exchange.
- ② When other conversion price adjustments are necessary due to a change in the number of shares of common stock issued by the Company or there is a possibility of the occurrence of such an event.
- ③ When conversion price adjustments are necessary due to gratis allotment of other kinds of shares to shareholders
- ④ Whenever calculations for a conversion price adjustment are based on one event which is accompanied by another event that impacts the market price.
- (15) When revising the conversion price pursuant to Item (6) ④ or when adjusting the conversion price pursuant to Items (8) through (4), the Company will notify Bondholders in advance of the pre-revision (or pre-adjustment) conversion price, the post-revision (or post-adjustment) conversion price, the date the said revision or adjustment will take effect, and other relevant

matters. When such notice cannot be made prior to the date on which the same becomes applicable, then it shall be made as soon as possible thereafter.

- (16) Requests to exercise Stock Acquisition Rights shall be made at the place specified in Paragraph 23 hereof (hereinafter the "Exercise Request Location").
- (17)① To request exercise of Stock Acquisition Rights, the bondholder shall complete the necessary procedures to instruct his/her book-entry transfer institution or account management institution to submit the documents necessary for the request to the Exercise Request Location during the exercise request period.
- ② The Stock Acquisition Rights holder cannot rescind the request once the foregoing procedures towards the book-entry transfer institution or account management institution have been completed.
- (18) A request to exercise Stock Acquisition Rights shall be effective as of the date on which the documents necessary for the same arrive at the Exercise Request Location. Once Stock Acquisition Rights take effect, the Bonds relating to such Stock Acquisition Rights shall be deemed due and payable.
- (19) Once the exercising of Stock Acquisition Rights becomes effective, the Company shall deliver shares to the exercising Bondholder by recording an increase in transferred stock in the ownership column of the transfer account with the book-entry transfer institution or account management institution specified by said Bondholder.
- (20) If it becomes necessary to change the readings of terms in this paragraph, the Company will take necessary measures.
- (21) Excluding early redemption of Bonds with Stock Acquisition Rights pursuant to Paragraph 11 Item 5, should the Company carry out Corporate Restructuring Activities, it shall ensure that the Surviving Entity deliver the stock acquisition rights of the Surviving Entity as described in Items ① through ⑧ hereof (hereinafter, the "Successor Stock Acquisition Rights") to the holder of the Stock Acquisition Rights connected to the Bonds with Stock Acquisition Rights remaining immediately preceding the effective date of said Corporate Restructuring Activities, in exchange for the Stock Acquisition Rights held by such rights holder. In such a case, the Stock Acquisition Rights shall be extinguished and the obligations related to the Bonds will be assumed by the Surviving Entity, as of the date on which the Corporate Restructuring Activities take effect, while the Stock Acquisition Rights shall be held by the holder of the Successor Stock Acquisition Rights, and the provisions of these terms and conditions as relating to Stock Acquisition Rights shall be applied, mutatis mutandis, with respect to such Successor Stock Acquisition Rights.
- ① The number of stock acquisition rights of the Surviving Entity to be delivered  
The same number as the number of remaining Stock Acquisition Rights held by the holder of the Bonds with Stock Acquisition Rights immediately preceding the effective date of the said Corporate Restructuring Activities.
- ② type of shares underlying the stock acquisition rights of the Surviving Entity  
Common stock of the Surviving Entity
- ③ Method of calculating the number of shares underlying the stock acquisition rights of the Surviving Entity  
The calculation shall be performed by dividing the total face value of the Bonds of the Surviving Entity related to the Successor Stock Acquisition Rights by the conversion price stipulated in ④ below. This shall be rounded down to the nearest whole number.
- ④ Conversion Price of the Bonds of the Surviving Entity bearing the Successor Stock Acquisition Rights  
The conversion price of the Bonds of the Surviving Entity bearing the Successor Stock



Acquisition Rights shall be determined in a way that the holder who exercises rights immediately after the Corporate Restructuring Activities took effect receives the same economic benefit as he/she would have been entitled had the exercise taken place immediately before the Corporate Restructuring Activities. Revisions (or adjustments) to the conversion price made from the effective date of the Corporate Restructuring Activities onward shall be made in accordance with Item (6) ④ (or Items (8) through (4))

- ⑤ Details and amount of assets contributed upon execution of stock acquisition rights of the Surviving Entity, and method of calculation thereof

Upon the exercise of each of the stock acquisition right of the Surviving Entity, the Bonds they were affixed to shall be contributed. The amount of assets to be contributed upon the exercise of each stock acquisition right of the Surviving Entity shall be equal to the face value of each Bond.

- ⑥ Period during which stock acquisition rights of the Surviving Entity may be exercised

The period shall be from the effective date of the Corporate Restructuring Activities to the delivery date for Stock Acquisition Rights specified in Item (4). (However, if the Company has specified a suspension pursuant to Item (4) ③, then the period shall begin on either the effective date of the Corporate Restructuring Activities or the bank business day immediately following the final day of the suspension, whichever falls later)

- ⑦ Conditions for exercising stock acquisition rights of the Surviving Entity

Stock acquisition rights of the Surviving Entity may not be exercised in part. Moreover, in the event that the Surviving Entity purchases the Bonds with Successor Stock Acquisition Rights and extinguishes the Bonds, then the Successor Stock Acquisition Rights may no longer be exercised.

- ⑧ Matters relating to increases of capital and capital reserves upon issuing stock when Successor Stock Acquisition Rights are exercised

The amount of capital increase upon issuing stock in relation to the exercising of Successor Stock Acquisition Rights shall be half of the capital increase limit calculated pursuant to Article 17 of the Corporate Accounting Regulations, with any decimal place smaller than one whole yen remaining after calculation thereof rounded up to the next whole number.

13. Reasons for not requiring payment for the Stock Acquisition Rights

The Stock Acquisition Rights are affixed to the Bonds with Stock Acquisition Rights, and in consideration of the fact that separate transfer from the Bonds cannot be made and that upon the exercise of the Stock Acquisition Rights, the Bonds attached to the Stock Acquisition Rights are contributed, the Bonds and the Stock Acquisition rights are mutually and closely related, and in consideration of the Stock Acquisition Rights' value and the economic interests to be obtained by the Company with the Bonds' interest rates (0.0% annualized) and other terms of issuance such as the pay-in amount, it was decided that the payment of monies will not be required in exchange for the Stock Acquisition Rights.

14. Restrictions on provisioning of collateral

(1) As long as unredeemed principal of the Bonds exists, if at some time after the issue of the Bonds with Stock Acquisition Rights, the Company establishes security interests on collateral for other convertible bonds with stock acquisition rights issued in Japan, then, in accordance with the Secured Bond Trust Act, security interests of the same rank will be established for the Bonds with Stock Acquisition Rights as well. "Convertible Bonds With Stock Acquisition Rights" refers to "bonds with stock acquisition rights" as defined in Article 2 Paragraph 22 of the Companies Act.

(2) If the security interest established in accordance with the foregoing becomes insufficient for collateralizing the unredeemed principal of the Bonds, then the Company will, in accordance with the Secured Bond Trust Act, establish security interest for the Bonds with Stock Acquisition Rights.

- (3) In the event that an absorption type merger, stock swap, or absorption-type stock split results in the succession of security interests that had been established by the absorbed company, wholly-owned subsidiary, or split company, Items (1) and (2) shall not apply.
15. Change to collateralized bonds
- (1) The Company may at any time, establish security interests on collateral for the Bonds with Stock Acquisition Rights in accordance with the Secured Bond Trust Act.
- (2) In the event that security interests are established for the Bonds with Stock Acquisition Rights in pursuant to the above item or to Paragraph 14, the Company will immediately complete the registration thereof and other necessary procedures, and will give public notice to that effect in accordance with the provisions of Article 41 Paragraph 4 of the Secured Bond Trust Act.
16. Lifting of restrictions on collateral provision
- If the Company establishes security interest for the Bonds with Stock Acquisition Rights pursuant to Paragraphs 14 or 15, then paragraph 14 will no longer apply.
17. Acceleration clause
- The acceleration clause shall be invoked when any of the following apply. However, if the Company has established security interests for the Bonds pursuant to Paragraphs 14 or 15, then the acceleration clause shall not be invoked through application of Item (2).
- (1) When the Company violates the provisions of Paragraph 11.
- (2) When the Company violates the provisions of Paragraph 14.
- (3) When the company violates the provisions of Paragraph 12 Item (6) ④ or Items (8) to (15) or the provisions of Paragraph 15 Item (2) or the provisions of Paragraph 18 and does not meet obligations or make corrections within 30 days of receiving a request to make corrections from one or more bondholders.
- (4) When another bond issued by the Company is accelerated or the Company fails to make redemption payments of another bond by the scheduled payment date thereof.
- (5) When debt obligations of the Company other than bonds are accelerated; Or when the company fails to fulfill obligations with respect to guarantees made on the bonds or other debt of other companies. However, this need not be applied if the total amount of the applicable debt is less than 500 million yen (after currency conversion).
- (6) When the Company has filed a petition requesting commencement of bankruptcy proceedings, civil rehabilitation proceedings, or corporate reorganization proceedings; or when the Board of Directors has resolved to dissolve the company (but not including in the case of mergers).
- (7) When the Company decides to commence bankruptcy proceedings, civil rehabilitation proceedings, or corporate reorganization proceedings; or when the Company has been ordered to begin special liquidation procedures; or when the company has been dissolved (but not including in the case of mergers)
- (8) When a petition for compulsory auction, provisional seizure, or provisional disposition is filed against assets indispensable to the Company's business; or when other facts, such as the seizure of assets as disposition for delinquent payment, which seriously damage trust in the Company materialize
18. Public Notice to Bondholders
- Notices to Bondholders shall be made by public notice using the means specified by the Company. However, the Company may elect to notify bondholders directly in lieu of a public notice unless otherwise specified by law.
19. Bondholders' meeting
- (1) The Bondholders meeting for the Bonds with Stock Acquisition Rights shall be composed of the holders of bonds of the same type (pursuant to the types specified in Article 681-1 of the

- Companies Act, hereinafter “Bonds of this Type”). The company shall convene a Bondholders' meeting by notifying Bondholders of the said meeting as well as matters specified in Article 719 of the Companies Act no later than two weeks before the date of said meeting.
- (2) The Bondholders meeting for “Bonds of this Type” shall be convened in Tokyo.
- (3) Bondholders holding 10% or more of the total amount of the of “Bonds of this Type” (excluding amounts already redeemed and the total amount of such bonds held by The Company) may request that a bondholder meeting be convened upon providing the Company written notice detailing the reasons why they want to convene the meeting and agenda items to be discussed.
20. Application Period  
August 4, 2021
21. Allotment date for Stock Acquisition Rights and Pay-in date for the Bonds and (issue date)  
August 4, 2021
22. Book-entry transfer institution  
Japan Securities Depository Center
23. "Exercise Request Location"  
Administrator of shareholder registry: Mitsubishi UFJ Trust and Banking Corporation
24. Financial agent  
The Financial Agent for the Convertible Bonds shall be Sumitomo Mitsui Banking Corporation  
The Financial Agent shall act as the Issuing Agent and Payment Agent as well.  
The Financial Agent shall not bear any obligations or responsibilities to the holders of the Bonds with Stock Acquisition Rights and shall have no agency relationship or fiduciary relationship with the holders of the Bonds with Stock Acquisition Rights.
25. Payment of the redemption amount  
Payment of the redemption amount of the Bonds shall be conducted in accordance with the Act on Book-Entry Transfer of Corporate Bonds, and the operational rules and other rules of the Book-entry transfer institution.
26. Method of allotment  
The entirety will be allotted to Credit Suisse Securities Co., Ltd. by way of Third Party Allotment
27. Subscription handling  
Kanamic Network Co., LTD. Administrative Department
28. Status of listing application  
No application submitted
29. Other necessary matters regarding the issuance of the Stock Acquisition Rights are relegated to the Representative Director and President of the Company, Takuma Yamamoto.
30. All Paragraphs above are subject to the securities registration statement filed under the Financial Instruments and Exchange Act of Japan coming into effect.

(Attachment 2)

Kanamic Network Co., LTD  
3rd series Stock Acquisition Rights  
Terms of Issuance

- 1. Name of the stock acquisition rights  
Kanamic Network Co., LTD. 3rd Series Stock Acquisition Rights (hereinafter referred to as "the Stock Acquisition Rights")
- 2. Application Date  
August 4, 2021
- 3. Date of Allotment  
August 4, 2021
- 4. Date of Payment  
August 4, 2021
- 5. Method of allotment

The entirety of the Stock Acquisition Rights will be allotted to Credit Suisse Securities Co., Ltd. by way of Third-Party Allotment

- 6. Type and number of shares underlying the Stock Acquisition Rights
  - (1) The type and number of shares underlying the Stock Acquisition Rights shall be 4,800,000 shares of the Company’s common stock (The number of shares underlying 1 stock acquisition right (hereinafter the “Number of Shares Allotted”) is 100 shares.)。 However, if, in accordance with items (2) to (5) below, the “Number of Shares Allotted” is adjusted, the total number of shares underlying the Stock Acquisition Rights shall be adjusted to reflect the “post-adjustment Number of Shares Allotted”.
  - (2) If the company executes stock splits, gratis allotment, or mergers of the Company’s common stock (hereinafter “Stock Splits, etc.”), the “Number of Shares Allotted” will be adjusted by the following formula. However, any fraction of less than one share created as a result of the adjustment shall be rounded down.  

$$[\text{post-adjustment Number of Shares Allotted}] = [\text{pre-adjustment Number of Shares Allotted}] \times [\text{ratio of the Stock Splits, etc.}]$$
  - (3) If the Company adjusts the exercise price (defined in Paragraph 9, Item (2)) in accordance with the provisions of Paragraph 11 (excluding cases where the cause is “Stock Splits, etc.”) , then the “Number of Shares Allotted” is adjusted according to the following formula. However, any fraction of less than one share created as a result of the adjustment shall be rounded down. The “pre-adjustment exercise price” and the “post-adjustment exercise price” in this formula shall be equivalent to the “pre-adjustment exercise price” and the “post-adjustment exercise price” specified in paragraph 11.

$$\text{post-adjustment Number of Shares Allotted} = \frac{\text{pre-adjustment Number of Shares Allotted} \times \text{pre-adjustment exercise price}}{\text{post-adjustment exercise price}}$$

- (4) The effective date of the “post-adjustment Number of Shares Allotted” (for adjustments based on this paragraph) shall be the same day that the “post-adjustment exercise price” for adjustments for reasons set forth in Paragraph 11 Items (2), (5) and (6) becomes effective in accordance with those items.
- (5) When making adjustments to the “Number of Shares Allotted”, The Company will, by the day before the “post-adjustment Number of Shares allotted” comes into effect, notify the holder of the Stock Acquisition Rights (hereinafter, the “Stock Acquisition Rights Holder”) in writing of the following: the fact that such adjustment will be made, the reason for the adjustment, the “pre-adjustment Number of Shares Allotted”, the “post-adjustment Number of Shares Allotted”, the effective date, and other necessary matters. However, in the case specified in Paragraph 11, Item (2) ⑤, or in other cases where the above notification cannot be provided by the day before the effective date, the notification will be promptly carried out on/after the effective date.

7. Total number of stock acquisition rights

48,000

8. Issue Price per Stock Acquisition Right

The issue price for 1 Stock Acquisition Right shall be 93 yen (0.93 yen per share of the stock underlying the Stock Acquisition Rights)

9. Price of assets to be contributed upon exercise of the Stock Acquisition Rights

(1) The assets to be contributed upon exercise of the Stock Acquisition Rights shall be cash, and the amount of cash shall be the amount obtained by multiplying the exercise price by the "Number of Shares Allotted".

(2) The amount of cash to be contributed per share of the Company's common stock upon exercise of the Stock Acquisition Rights (Hereinafter the "Exercise Price") shall initially be 615 yen. However, the Exercise Price may be revised or adjusted in accordance with Paragraphs 10 or 11.

10. Revision of the Exercise Price

The "Revision Date" is the same as the effective date of any request to exercise Stock Acquisition Rights (stipulated in Paragraph 16, Item (3)). The "Revision Date Price" is equivalent to 93%, rounded down to the nearest yen, of the closing price for the Company's common stock in the ordinary trading session at the Tokyo Stock Exchange on the trade date immediately preceding the "Revision Date" (or, if no closing price is quoted on that date, the closing price of the date immediately preceding that). If this "Revision Date Price" differs, by more than 1 Yen, from (is less than or great than) the "Exercise Price" that was valid as of immediately before the "Revision Date", then the "Exercise Price" will be revised to this "Revision Date Price". However, if the above calculation, yields a result lower than 615 yen (hereinafter referred to as the "Minimum Exercise Price", noting that the "minimum exercise price" will be adjusted in accordance with Paragraph 11), then the "Minimum Exercise Price" shall be taken as the "Post-revision Exercise Price".

11. Adjustment of the "Exercise Price"

(1) If, due to any of the reasons listed in item (2) below, the quantity of the Company's common stock changes or may change subsequent to the issue of the Stock Acquisition Rights, the Exercise Price shall be adjusted in accordance with the following formula (hereinafter the "Exercise Price Adjustment Formula"):

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{\text{Number of previously issued shares} + \frac{\text{Number of newly issued/disp osed shares} \times \text{Paid-in amount per share}}{\text{Share Price}}}{\text{Number of previously issued shares} + \text{Number of newly issued/disp osed shares}}$$

(2) The following shall apply in the case of adjustments to the "Exercise Price" using the "Exercise Price Adjustment Formula" and in relation to the effective date for the "Post-adjustment Exercise Price" after adjustment.

① Whenever common stock of the Company is newly issued or disposed of by the Company (including through gratis allotment) at below the stock price specified in item (4) ② below (this shall exclude cases where shares are delivered as restricted stock compensation and this shall exclude cases where shares are delivered by way of holders exercising their "stock acquisition rights", including "bonds with stock acquisition rights", acquisition of "shares with put options" or "shares subject to call", or via the exercise of other rights requesting the delivery of the Company's common stock, and where shares of the Company's common stock are delivered as a result of a company split, share exchange, or merger):

The "Post-adjustment Exercise Price" shall come into effect on the "Date of Payment" (or in the case of an offering in which a "Payment Period" is designated then the last day thereof or in the case of gratis allotment of shares then the effective date thereof), or if the right to receive allocation of shares is offered, the "Post-adjustment Exercise Price" shall come into

effect on the day following the “record date” for determining the shareholders to be allocated such rights.

② The “Post-adjustment Exercise Price” shall come into effect beginning the day following the record date for determining which shareholders will acquire stock by such stock splits.

③ Whenever “shares with put options” or “stock acquisition rights” (including those attached to “bonds with stock acquisition rights”) that confer rights to request the delivery of the Company’s common stock at below the stock price specified in Item (4) ② below are issued or granted (including through gratis allotment, except when “stock acquisition rights” are allocated as stock options):

The “Post-adjustment Exercise Price” is calculated by applying the “Exercise Price Adjustment Formula” assuming that all puts attached to all “shares with put options” and all “stock acquisition rights” have been exercised at the initial terms. This will go into effect from the “Date of Payment” (the “Date of Allotment” in the case of “stock acquisition rights” (including those attached to “bonds with stock acquisition rights”)), or (in the case of gratis allotment of shares) this will go into effect from the “effective date”. But if there is a record date” for determining the shareholders to be allocated rights, then the “Post-adjustment Exercise Price” shall come into effect on the day following the “record date”.

④ Whenever common stock of the company is delivered at below the stock price specified in Item (4) ② below in exchange for the acquisition of “shares subject to call” or “stock acquisition rights subject to call” ( including those attached to “bonds with stock acquisition rights”) issued by the company:

The “Post-adjustment Exercise Price” shall come into effect on the day following the date of the acquisition.

Notwithstanding the above, regarding these “shares subject to call” or these “stock acquisition rights subject to call” ( including those attached to “bonds with stock acquisition rights”) , if, before this adjustment of the “Exercise Price”, an adjustment was conducted as described in ③, then the “Post-adjustment Exercise Price” shall be calculated in light of that adjustment.

⑤ When a record date is set and ① through ③ above are subject to approval by the Board of Directors, or shareholder approval at a general shareholders' meeting, or other body of the Company, then notwithstanding the provisions of ① through ③ above, the Post-adjustment Exercise Price” shall come into effect beginning the day after the date on which such approval is granted. In such a case as described above, common stock of the Company will be delivered to persons holding the Stock Acquisition Rights who have requested to exercise such rights after the “record date” but before the date on which such approval was granted, in accordance with the following formula.

$$\text{Number of shares of stock} = \frac{\text{Pre-adjustment Exercise Price} - \text{Post-adjustment Exercise Price} \times \text{Number of shares of common stock delivered during said period at the pre-adjustment exercise price}}{\text{Post-adjustment Exercise Price}}$$

Units of less than one share arising as a result of such calculation shall be disregarded and exempt from any cash settlement.

(3) When the difference between the “Post-adjustment Exercise Price” using the “Exercise Price Adjustment Formula” and the “Pre-adjustment Exercise Price” is less than one yen, no “Exercise Price” adjustment shall be made. If the “Exercise Price” needs to be calculated again due to a need for adjustment thereafter, the difference shall be deducted from the “Pre-adjustment Exercise Price” to be used in the “Exercise Price Adjustment Formula”.

(4) ① Calculation of the “Exercise Price Adjustment Formula” shall be made to two decimal places with the second digit below one whole yen discarded.

② The “stock price” to be used in the “Exercise Price Adjustment Formula” shall be the average Closing Price of The Company’s common stock over 30 Trading Days (excluding days on which there is no Closing Price) commencing on the 45th Trading Day prior to the date the “Post-adjustment Exercise Price” was applied (or the “record date” in the case of Item (2) ⑤). In such a case, the “stock price” shall be calculated to two decimal places, and the second digit below one whole yen discarded.

- ③ The “Number of previously issued shares” used in the “Exercise Price Adjustment Formula” shall be the number of previously issued shares of common stock of The Company as of one month prior to the date on which the “Post-adjustment Exercise Price” was applied, or, when shareholders are offered rights to receive allocation of stock, as of the “record date” for determining the shareholders to be allocated such rights, less the number of shares of common stock of the Company held by the Company as of such date. In the case of Article (2) ② above, the “Number of newly issued/disposed shares” in the “Exercise Price Adjustment Formula” shall not include the number of common shares allotted to the common shares held by the Company as of the “record date”.
- (5) In the following cases, other than adjustment of the exercise price pursuant to Article 2 above, the Company shall, upon conferring with the “Stock Acquisition Rights Holder”, perform the necessary exercise price adjustment.
- ① When an exercise price adjustment is necessary due to a stock merger, decline in capital stock, company split or share exchange, or merger.
- ② Other times when the quantity of the Company’s common stock changes or may change.
- ③ Whenever calculations for an exercise price adjustment are based on one event which is accompanied by another event that impacts the stock price.
- (6) Notwithstanding the provisions of item (2) above, when the date on which the “Post-Adjustment Exercise Price” based on item (2) comes into effect coincides with the exercise price “Revision Day” based on item 10, the company will make required adjustments to the exercise price and the minimum exercise price.
- (7) When adjusting the “Exercise Price”, the Company will notify the “Stock Acquisition Rights Holder” in advance of the fact that the adjustment will be made and the reason thereof, the “Pre-adjustment Exercise Price”, the “Pre-adjustment Exercise Price”, the date that the adjustment will take effect, and other relevant matters. However, for the situation specified in Item (2) ⑤ above and for other situations where notice cannot be made prior to the date on which the adjustment goes into effect, then it shall be made as soon as possible thereafter.
12. Period during which the Stock Acquisition Rights may be exercised  
August 5, 2021 to August 5, 2024
13. Other conditions for exercising the Stock Acquisition Rights  
Stock Acquisition Rights may not be exercised in part.
14. Acquisition provisions related to the Stock Acquisition Rights
- (1) If the closing prices of ordinary trading of the Company’s common stock on the Tokyo Stock Exchange on any of the 20 consecutive trading days immediately preceding the notification date below are all below the minimum exercise price on the respective date (or, if no closing price is quoted on that date, the closing price of the date immediately preceding that), then anytime on or after February 7, 2022, the Company can, through a resolution of the Board of Directors and upon giving at least two weeks advanced notice in accordance with the provisions of Article 273 of the Act on Companies, acquire all Stock Acquisition Rights (that are not held by the Company) on the acquisition date specified by the Board of Directors at an amount corresponding to the pay-in price per Stock Acquisition Right.
- (2) On August 5, 2024 the Company will acquire all Stock Acquisition rights that are not held by the Company at an amount corresponding to the pay-in price per Stock Acquisition Right.
- (3) In the case of a merger in which the Company is absorbed, or a share exchange or share transfer in which the Company becomes a wholly owned subsidiary (hereinafter referred to as “Restructuring Activities”), the Company will, upon providing two weeks advanced notice, acquire all Stock Acquisition rights that are not held by the Company at an amount corresponding to the pay-in price per Stock Acquisition Right and on a date before the effective date of the “Restructuring Activities”.
- (4) On a date two weeks after the date in which shares issued by the Company are designated by the Tokyo Stock Exchange as “stocks under supervision”, “special-caution-market stocks” or “securities to be delisted”, or on a date two weeks after the decision to delist the shares of the company was made (or the next business date if this is a holiday), the company will acquire all Stock Acquisition rights that are not held by the Company at an amount corresponding to the pay-in price per Stock Acquisition Right.
15. Matters relating to increases in capital and capital reserves when stock is issued in response to

the exercising of the Stock Acquisition Rights

The amount of capital increase upon issuance of stock when the Stock Acquisition Rights are exercised shall be half of the capital increase limit calculated pursuant to Article 17 of the Corporate Accounting Regulations, with any decimal places smaller than one whole yen remaining after calculation thereof rounded up to the next whole number.

16. Filing a request to exercise Stock Acquisition Rights

- (1) A notification containing the necessary particulars to requests exercise of the Stock Acquisition Rights shall be made during the period specified in Paragraph 12 as the period during which Stock Acquisitions Rights may be exercised. Notifications shall be made at the place specified in Paragraph 19 as the "Exercise Request Location".
- (2) When the "Stock Acquisition Rights Holder" intends to exercise Stock Acquisition Rights, they will provide notification of exercise request as detailed above; and the assets to be contributed at the time of the exercise of the Stock Acquisition Rights shall be remitted in cash to an account designated by the Company as the "Place for Payment" in Paragraph 20.
- (3) A request to exercise Stock Acquisition Rights shall be effective as of the date on which the documents necessary for the same arrive at the "Exercise Request Location" specified in Paragraph 19 and the entire amount of the value of the assets to be contributed at the time of the exercise of the Stock Acquisition Rights is confirmed to have been deposited into the account specified above.

17. Non-issuance of depository recipients

Depository receipts will not be issued for the Stock Acquisition Rights

18. Rationale behind Bond Terms and Conditions

The Company valued the Stock Acquisition Rights in light of the various terms stipulated by this "Terms of Issuance" as well the third-party allotment agreement to be entered into with the scheduled allottee, the Company's stock price, volatility in the stock price, the dividend yield, the risk-free interest rate, liquidity etc., using Monte Carlo Simulation, which is generally used in evaluations of stock acquisition rights, while making certain assumptions. Taking the results of this valuation into account, the issue price for 1 Stock Acquisition Right will be as stated in Paragraph 8. The value of the assets to be contributed at the time of the exercise of the Stock Acquisition Rights shall be as stated in Paragraph 9.

19. "Exercise Request Location"

Securities Transfer Department, Mitsubishi UFJ Trust and Banking Corporation

20. Place for Payment

Sumitomo Mitsui Banking Corporation, Meguro Branch

21. Applicability of the Act on Book-Entry Transfer of Company Bonds, Shares, etc.

The Stock Acquisition Rights in whole will be subject to application of the provisions of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. Also, the operational rules concerning the transfer of stocks, etc. set forth by the Japan Securities Depository Center, Inc. will be observed in relation to the Stock Acquisition Rights.

22. Name and Address of Depository Institution

Japan Securities Depository Center  
2-1-1, Nihonbashi Kayabacho, Chuo-ku, Tokyo

23. Other

- (1) Each of the items above is subject to the securities registration statement filed under the Financial Instruments and Exchange Act of Japan coming into effect.
- (2) The terms of the Stock Acquisition Rights, including the issue price, are judged to be the optimal the Company can currently obtain given market conditions as well as the financial condition of the Company.
- (3) Other necessary matters regarding the issuance of the Stock Acquisition Rights are relegated to the Representative Director and President of the Company.



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