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Securities code: 3067  
December 8, 2021

**To Shareholders with Voting Rights:**

Sakamoto Daichi  
Representative Director and President  
TOKYO ICHIBAN FOODS CO., LTD.  
Shinjuku Yawaragi Bldg. 4F,  
5-6-1, Shinjuku, Shinjuku-ku,  
Tokyo, Japan

**NOTICE OF  
THE 23rd ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 23rd Annual General Meeting of Shareholders of TOKYO ICHIBAN FOODS CO., LTD. (the “Company”) will be held as described below.

If you will not be attending the Meeting in person, you may exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders provided below and exercise your voting rights by 6:30 p.m. on Thursday, December 23, 2021, Japan time.

**1. Date and Time:** Friday, December 24, 2021 at 10:00 a.m. Japan time  
(Reception will start at 9:30 a.m.)

**2. Venue:** 2nd Hall, 3rd Floor, Shinjuku Bunka Center  
6-14-1 Shinjuku, Shinjuku-ku, Tokyo, Japan  
**\*Note that the venue is different from last year.**  
Please refer to the Map of Shareholder’s Meeting Venue at the end of this notice.

**3. Meeting Agenda:**  
**Matters to be reported:** 1. The Business Report and Consolidated Financial Statements for the Company’s 23rd fiscal year (October 1, 2020 – September 30, 2021) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements  
2. Non-consolidated Financial Statements for the Company’s 23rd fiscal year (October 1, 2020 – September 30, 2021)

**Proposals to be resolved:**  
**Proposal 1:** Partial Amendments to the Articles of Incorporation  
**Proposal 2:** Election of Seven (7) Directors  
**Proposal 3:** Determination of Amount and Specific Details of Remuneration and Other Payments Related to Stock Acquisition Rights as Stock Options for Directors  
**Proposal 4:** Entrustment to Company’s Board of Directors of Decisions on Matters Concerning Offerings of Stock Acquisition Rights as Stock Options to Directors, Employees, and External Collaborators of the Company and the Company’s Subsidiaries

- Please be aware that souvenirs have not been arranged for shareholders attending the General Meeting of Shareholders in person.
- If you choose to attend the Meeting in person, please submit the enclosed Voting Rights Exercise Form to Reception.
- To conserve resources, please bring this Notice with you to the Meeting.
- Please note that no persons other than shareholders who are able to exercise voting rights, including proxies who are not shareholders and persons accompanying shareholders, will be admitted to the venue.
- Any revisions to the contents of the Reference Documents for the General Meeting of Shareholders, the Business Report, or the Consolidated and Non-consolidated Financial Statements will be posted on the Company's website (<https://www.tokyo-ichiban-foods.co.jp/>).

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Partial Amendments to the Articles of Incorporation

The Company has continued its efforts to expand its corporate governance for the sustainable growth of the Group and the enhancement of medium- to long-term corporate value. Meanwhile, given the requirement for the further strengthening of corporate governance due to the enforcement of the Act Partially Amending the Companies Act (Act No.70 of 2019) on March 1, 2021 and other factors, this amendment will change the number of Directors to strengthen the supervisory functions of the Board of Directors, etc. by increasing the number of Outside Directors.

The details of the amendments are as follows:

(Amendments are underlined.)

| Current Articles of Incorporation  | Amendment (Proposed)   |
|--|--|
| <p>Article 1 to Article 16 (Omitted)</p> <p style="text-align: center;">Chapter 4 Directors and Board of Directors<br/>(Number of Directors)</p> <p>Article 17 The number of Directors of the Company shall not exceed <u>six (6)</u>.</p> | <p>Article 1 to Article 16 (Unchanged)</p> <p style="text-align: center;">Chapter 4 Directors and Board of Directors<br/>(Number of Directors)</p> <p>Article 17 The number of Directors of the Company shall not exceed <u>seven (7)</u>.</p> |
| <p>Article 18 to Article 48 (Omitted)</p>  | <p>Article 18 to Article 48 (Omitted)</p>  |

**Proposal 2:** Election of Seven (7) Directors

The terms of office of all six (6) Directors will expire at the end of this Annual General Meeting of Shareholders. Should Proposal 1: Partial Amendments to the Articles of Incorporation be approved and adopted, the number of Directors will be amended from “not exceeding six (6)” to “not exceeding seven (7).” Accordingly, to further strengthen corporate governance, the Company proposes an increase in the number of Outside Directors by one (1) and the election of seven (7) Directors. This proposal is conditional on the approval and adoption of Proposal 1: Partial Amendments to the Articles of Incorporation.

The candidates for Director are as follows:

| No. | Name<br>(Date of birth)                | Career summary, positions, and responsibilities<br>(Significant concurrent positions)  | Number of<br>shares of the<br>Company held                              |
|-----|--|--|---|
| 1   | Sakamoto Daichi<br>(December 19, 1967) | <p>October 1998 Established Tokyo Ichiban Foods Limited Company (now the Company)<br/>Appointed Director</p> <p>September 1999 Appointed Representative Director, Tokyo Ichiban Foods Limited Company</p> <p>September 2000 Appointed Representative Director and President, the Company (current position)</p> <p>December 2001 Appointed Director, Shinjuku Live Fish Limited Company (now Nagasaki Farm Co., Ltd.) (current position)</p> <p>October 2016 President, Ichiban Foods Inc. (current position)</p> <p>November 2019 Established Fun &amp; Co. Inc., appointed Director and Chairman (current position)</p> <p>June 2020 Established Sushitsune Co., Ltd., appointed Representative Director (current position)</p>                      | 1,469,800   |
| 2   | Iwanari Kazuko<br>(April 1, 1949)      | <p>April 1972 Joined INTEC Inc.</p> <p>April 1973 Joined the Distribution Economics Institute of Japan</p> <p>April 1996 Appointed Assistant Professor, Tokyo University of Fisheries (now Tokyo University of Marine Science and Technology)</p> <p>November 2009 Joined the Company, appointed Executive Officer and General Manager, Systems Dept.</p> <p>December 2013 Appointed Executive Officer and General Manager Responsible for Marketing</p> <p>December 2015 Appointed Director, the Company</p> <p>December 2016 Appointed Managing Director, the Company</p> <p>December 2016 Appointed Auditor, Nagasaki Farm Co., Ltd. (current position)</p> <p>December 2018 Appointed Senior Managing Director, the Company (current position)</p> | 19,300<br>(including<br>9,300<br>shareholding<br>association<br>shares) |

| No. | Name<br>(Date of birth)                   | Career summary, positions, and responsibilities<br>(Significant concurrent positions)   | Number of<br>shares of the<br>Company held                              |
|-----|---|---|---|
| 3   | Yoshikawa Tadashi<br>(December 26, 1975)  | <p>October 1998    Joined Tokyo Ichiban Foods Limited Company (now the Company)</p> <p>January 2003    Appointed Director, Shinjuku Live Fish Limited Company (now Nagasaki Farm Co., Ltd.)</p> <p>March 2006     Appointed Representative Director and President, Shinjuku Live Fish Limited Company (current position)</p> <p>June 2009       Appointed Executive Officer, the Company</p> <p>December 2010   Appointed Director, General Manager, Merchandise Division &amp; General Manager, External Sales Business Dept.</p> <p>November 2014   Appointed Director, Shoku En Co., Ltd.</p> <p>June 2017       Resigned as Director, Shoku En Co., Ltd.</p> <p>December 2018   Appointed Managing Director, the Company (current position)</p>   | 79,145<br>(including<br>1,645<br>shareholding<br>association<br>shares) |
| 4   | Kawahara Tsunehito<br>(November 30, 1965) | <p>July 2001        Appointed Representative Director and Senior Managing Director, Link One Co., Ltd.</p> <p>April 2002       Appointed Representative Director and President, Link One Co., Ltd.</p> <p>June 2008        Established Kawahara Tsunehito Office, appointed Representative</p> <p>April 2009        Established T&amp;K Management Systems Co., Ltd., appointed Director</p> <p>May 2012         Appointed Representative Director and President, T&amp;K Management Systems Co., Ltd. (current position)</p> <p>December 2013   Appointed Director, the Company (current position)</p> <p>August 2018     Appointed Representative Director, Kabenoana Co., Ltd.</p> <p>November 2019   Established Fun &amp; Co. Inc., appointed Representative Director (current position)</p> <p>June 2020        Established Sushitsune Co., Ltd., appointed Director (current position)</p> | 8,229<br>(including<br>3,229<br>shareholding<br>association<br>shares)  |

| No. | Name<br>(Date of birth)                  | Career summary, positions, and responsibilities<br>(Significant concurrent positions)   | Number of<br>shares of the<br>Company held                           |
|-----|--|---|--|
| 5   | Murakami Toru<br>(November 25, 1960)     | <p>October 1986    Joined Audit Corporation Chuo Accountants Office</p> <p>October 1990    Joined BDO Sanyu &amp; Co.</p> <p>April 2007      Appointed Director, JBA Holdings Co., Ltd.</p> <p>January 2006    Appointed Director, the Company</p> <p>June 2008      Appointed Auditor, the Company</p> <p>September 2016    Established Murakami Certified Public Accountants Office (current position)</p> <p>July 2017      Established Murakami Management Consulting Inc., appointed Representative Director (current position)</p> <p>December 2019    Appointed Director, the Company (current position)</p>   | —  |
| 6   | Kakegawa Yoichi<br>(February 11, 1963)   | <p>April 1987      Joined Saitama Bank (now Saitama Resona Bank, Limited)</p> <p>May 1999      Joined Asahi Tax Corporation</p> <p>August 2005    Joined Ramla Co., Ltd.</p> <p>May 2017      Joined the Company</p> <p>November 2019    Appointed Executive Officer, the Company</p> <p>August 2020    Appointed General Manager, Administration Division (current position)</p> <p>December 2020    Appointed Director, the Company (current position)</p>  | 1,171<br>(including<br>571<br>shareholding<br>association<br>shares) |
| 7   | *<br>Maeda Toyoshi<br>(February 6, 1961) | <p>February 1983    Joined the Nikko Securities Co., Ltd. (now SMBC Nikko Securities Inc.)</p> <p>December 1998    Appointed General Manager, Shimbashi Branch, the Nikko Securities Co., Ltd.</p> <p>March 2004      Appointed General Manager, Central Branch, the Nikko Securities Co., Ltd.</p> <p>February 2007    Appointed Executive Officer and General Manager, Tokyo No. 3 Corporate Division, the Nikko Securities Co., Ltd.</p> <p>Mach 2013      Appointed Managing Director, Nikko Investor Relations Co., Ltd.</p> <p>September 2018    Appointed Representative Director and President, Nikko Investor Relations Co., Ltd.</p> <p>March 2021      Resigned from Nikko Investor Relations Co., Ltd.</p> <p>June 2021      Advisor, the Company (current position)</p> <p>June 2021      Appointed Outside Director, I'rom Group Co., Ltd. (current position)</p> | —  |

- Notes:
1. \* indicates a new candidate.
  2. T&K Management Systems Co., Ltd., for which Mr. Kawahara Tsunehito serves as Representative Director and President, and the Company have entered into an agreement for management consulting work, but the amount of remuneration paid by the Company is not material. In addition, Fun & Co. Inc., for which Mr. Kawahara serves as Representative Director, and the Company have entered into a service agreement for the operation of foodservice establishments, but the amount of remuneration paid by the Company is not material. There are no special interests between the Company and the other candidates for Director.
  3. Mr. Kawahara Tsunehito is a candidate for Outside Director as set forth in Article 2, Paragraph (3), Item (vii) of the Regulation for Enforcement of the Companies Act. He is currently an Outside Director of the Company, and he will have served as an Outside Director for eight (8) years at the end of this General Meeting of Shareholders.
  4. Mr. Murakami Toru is a candidate for Outside Director as set forth in Article 2, Paragraph (3), Item (vii) of the Regulation for Enforcement of the Companies Act. He also satisfies the requirements for independence as set forth by the Tokyo Stock Exchange and has been selected as an Independent Officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange. Mr. Murakami is currently an Outside Director of the Company, and he will have served as an Outside Director for two (2) years at the end of this General Meeting of Shareholders.
  5. Mr. Maeda Toyoshi is a candidate for Outside Director as set forth in Article 2, Paragraph (3), Item (vii) of the Regulation for Enforcement of the Companies Act. He also satisfies the requirements for independence as set forth by the Tokyo Stock Exchange and has been selected as an Independent Officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
  6. Reasons for nominating Mr. Kawahara Tsunehito as a candidate for Outside Director and expected roles  
The Company proposes the election of Mr. Kawahara Tsunehito as an Outside Director with the expectation that he will supervise the Company's management based on his wealth of experience and extensive knowledge as a corporate manager and contribute to the strengthening of corporate governance by providing advice on the Company's management in general.
  7. Reasons for nominating Mr. Murakami Toru as a candidate for Outside Director and expected roles  
Given that Mr. Murakami Toru served as Outside Director of the Company between January 2006 and June 2008 and as Auditor of the Company between June 2008 and December 2015 and, based on his expert knowledge and wealth of experience as a certified public accountant and a certified public tax accountant, the Company has determined that he will be able to guide the Company's management in general as an Outside Director, and proposes his election as an Outside Director.
  8. Reasons for nominating Mr. Maeda Toyoshi as a candidate for Outside Director and expected roles  
The Company proposes the election of Mr. Maeda Toyoshi as Outside Director with the expectation that he will contribute to the strengthening of corporate governance by giving advice regarding the Company's management in general, leveraging his experience as a senior executive of a securities firm for many years and as Representative Director of an investor relations firm.
  9. The Company has concluded an agreement with Mr. Kawahara Tsunehito and Mr. Murakami Toru to limit their liability for damages under Article 427, Paragraph 1 of the Companies Act. If these two candidates are elected as Directors at this General Meeting of Shareholders, the Company intends to continue this liability limitation agreement with them. If Mr. Maeda Toyoshi is elected as Director, the Company also intends to conclude such a liability limitation agreement with him.
  10. The Company has entered into a directors and officers liability insurance (D&O insurance) contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the

Companies Act with all Directors as the insured. A summary and other information regarding this insurance contract may be found on Page 17 of the Business Report. If the election of each of the candidates is approved, they will be included as the insured under this insurance contract. The Company intends to renew the insurance contract with the same contents when it is next due for renewal.



**Proposal 3: Determination of Amount and Specific Details of Remuneration and Other Payments Related to Stock Acquisition Rights as Stock Options for Directors**

(Reasons for proposal)

The Company proposes to allot stock acquisition rights as stock options to Directors (including Outside Directors) for the purpose of further raising their morale and willingness to contribute to the enhancement of long-term corporate value.

With stock acquisition rights as stock options falling under Directors' remuneration after the enforcement of the Companies Act (Act No. 86 of 2005), the Company seeks approval for the amount and specific details of remuneration and other payments related to stock acquisition rights as stock options for Directors.

The amount and specific details of remuneration and other payments related to stock acquisition rights as stock options for Directors are determined based on corporate performance, the status and degree of contribution to the execution of business in the Company, and other factors.

The Company believes that the specific details of the stock acquisition rights are reasonable as they are stock options that will be allotted for the purpose of further raising morale and willingness to contribute to the long-term enhancement of corporate value, among other reasons.

If Proposal 2 is approved and adopted as originally proposed, the number of Directors will be seven (7) (including three (3) Outside Directors).

1. Approval was granted at the 7th Annual General Meeting of Shareholders held on December 30, 2005 for the amount of remuneration to the Company's Directors to be up to 200 million yen per year (however, this does not include the employee wages for Directors who are also employees). The Company now seeks approval to establish, separately from the aforementioned Directors' remuneration amount, an amount of remuneration related to stock acquisition rights as stock options for Directors of up to 50 million yen per year (10 million yen per year for Outside Directors) for one (1) year from the date of the Annual General Meeting of Shareholders in each fiscal year.

2. The Company proposes that the specific details of the stock acquisition rights as stock options for Directors be as follows:

(1) Total number of stock acquisition rights and class and number of subject shares

Total number of stock acquisition rights

A maximum of 2,000 stock acquisition rights (including 200 for Outside Directors) may be issued on a date within one (1) year of the Annual General Meeting of Shareholders for each fiscal year.

Class and number of shares subject to stock acquisition rights

The class of shares subject to stock acquisition rights shall be common shares of the Company, and the number of shares per stock acquisition right (hereinafter "Number of Shares Granted") shall be 100.

However, if the Company conducts a share split (including allotment of common shares of the Company without contribution; the same applies to references to share splits hereinafter) or reverse share split of the Company's common shares after the date of the resolution of this proposal (hereinafter "Resolution Date"), the Number of Shares Granted shall be adjusted according to the following formula:

$$\text{Number of Shares Granted after adjustment} = \text{Number of Shares Granted before adjustment} \times \text{Ratio of share split or reverse share split}$$

In addition, if adjusting the Number of Shares Granted is appropriate for reasons other than the above after the Resolution Date, the Number of Shares Granted may be adjusted within a reasonable extent.

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

The maximum number of shares that may be delivered by the exercise of stock acquisition rights issued within one (1) year of the date of the Annual Meeting of Shareholders for each fiscal year shall be 200,000 of the Company's common shares (including 20,000 shares for Outside Directors). If the Number of Shares Granted is adjusted, the maximum number shall be the number obtained by multiplying the Number of Shares Granted after adjustment by the maximum number of stock acquisition rights stated above.

(2) Value of assets to be invested upon exercise of stock acquisition rights

The value of assets to be invested upon the exercise of each stock acquisition right shall be the paid-in amount per share that may be delivered by the exercise of the stock acquisition rights (hereinafter "Exercise Value") multiplied by the Number of Shares Granted.

The Exercise Value shall be the amount obtained by multiplying by 2.00 either the average of the closing prices of regular trades of the Company's common shares on the Tokyo Stock Exchange on each day (hereinafter "Closing Price") (excluding days on which no trades are made) of the month prior to the month of the date on which the stock acquisition rights are allotted (hereinafter "Allotment Date") or the Closing Price of the Allotment Date (or, if no trades are made on that date, the Closing Price of the most recent prior trading day), whichever is higher. Fractions of less than one (1) yen shall be rounded up.

If, after the Allotment Date, the Company conducts a share split or reverse share split of the Company's common shares, issues new shares or disposes of treasury shares at a price lower than the current market price (excluding the sale of treasury shares pursuant to the provisions of Article 194 of the Companies Act (demand for the sale of shares less than one unit by a holder of shares less than one unit), the conversion of securities that shall or may be converted to common shares of the Company, and the exercise of stock acquisition rights that enable a demand for the delivery of common shares in the Company, including corporate bonds with stock acquisition rights), or conducts a gratis allotment of other class shares to common shareholders or distribution of dividends to common shareholders who hold shares of another company, or where the adjustment of the Exercise Value is otherwise appropriate, the Company may adjust the Exercise Value within a reasonable extent.

(3) Period during which stock acquisition rights may be exercised

Four (4) years from the date on which five (5) years have elapsed since the Allotment Date

(4) Restrictions on acquisition of stock acquisition rights by assignment

Acquisition of stock acquisition rights by assignment shall be subject to the approval of the Company's Board of Directors.

(5) Other details of stock acquisition rights

Other details of stock acquisition rights not stated in (1) to (4) above shall be stipulated at a meeting of the Board of Directors to decide on matters concerning offerings of stock acquisition rights.

3. The aforementioned amount and specific details of remuneration and other payments for Directors shall, as in the past, not include the employee wages of Directors who are also employees.

**Proposal 4:** Entrustment to Company’s Board of Directors of Decisions on Matters Concerning Offerings of Stock Acquisition Rights as Stock Options to Directors, Employees, and External Collaborators of the Company and the Company’s Subsidiaries

Pursuant to the provisions of Articles 236, 238, and 239 of the Companies Act, the Company requests approval to entrust to the Board of Directors of the Company decisions on matters concerning the offering of stock acquisition rights as stock options to Directors (including Outside Directors), employees, and external collaborators of the Company and the Company’s subsidiaries.

1. Reason why it is necessary to conduct offerings of stock acquisition rights as stock options on particularly advantageous terms

The Company wishes to issue stock acquisition rights without contribution to Directors (including Outside Directors), employees, and external collaborators of the Company and the Company’s subsidiaries with purposes that include further raising the morale and willingness to contribute to the enhancement of long-term corporate value.

2. Details and maximum number of stock acquisition rights for which the matters concerning offering may be decided, based on the matters determined at this General Meeting of Shareholders

(1) Maximum number of stock acquisition rights for which the matters concerning offering may be decided under this entrustment

The maximum number of stock acquisition rights shall be 4,000. The details of the stock acquisition rights are described in (3) below.

The maximum total number of shares that may be delivered through the exercise of stock acquisition rights shall be 400,000 of the Company’s common shares. If the number of shares granted (defined below) pursuant to (3) 1) below is adjusted, the maximum shall be the number obtained by multiplying the number of shares granted after adjustment by the maximum number of stock acquisition rights stated above.

(2) No payment of money shall be required for stock acquisition rights for which matters concerning offering may be made under this entrustment.

(3) Details of stock acquisition rights for which matters concerning offerings may be made under this entrustment

1) Class and number of shares subject to stock acquisition rights

The class of shares subject to stock acquisition rights shall be common shares of the Company, and the number of shares subject to each stock acquisition right (hereinafter “Number of Shares Granted”) shall be 100.

However, if the Company conducts a share split (including allotment of common shares of the Company without contribution; the same applies to references to share splits hereinafter) or reverse share split of the Company’s common shares after the date of the resolution of this proposal (hereinafter “Resolution Date”), the Number of Shares Granted shall be adjusted according to the following formula:

$$\text{Number of Shares Granted after adjustment} = \frac{\text{Number of Shares Granted before adjustment}}{\text{Ratio of share split or reverse share split}}$$

In addition, in the case where adjusting the Number of Shares Granted is appropriate for reasons other than the above after the Resolution Date, the Number of Shares Granted may be adjusted within a reasonable extent.

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

2) Value of assets to be invested upon exercise of stock acquisition rights

The value of assets to be invested upon the exercise of each stock acquisition right shall be the paid-in amount per share that may be delivered by the exercise of the stock acquisition rights (hereinafter “Exercise Value”) multiplied by the Number of Shares Granted.

The Exercise Value shall be the amount obtained by multiplying by 2.00 either the average of the closing prices of stock trades in the Company’s common shares on the Tokyo Stock Exchange on each day (hereinafter “Closing Price”) (excluding days on which no trades were made) of the month prior to the month of the date on which the stock acquisition rights are allotted (hereinafter “Allotment Date”) or the Closing Price of the Allotment Date (or, if no trades were made on that date, the Closing Price of the most recent prior trading day), whichever is higher. Fractions of less than 1 yen shall be rounded up. However, the Exercise Value shall be subject to the following adjustments:

- i. If, after the Allotment Date, the Company conducts a share split or reverse share split of the Company’s common shares, the Exercise Value shall be adjusted according to the following formula, and fractions of less than 1 yen resulting from the adjustment shall be rounded up:

$$\text{Exercise Value after adjustment} = \text{Exercise Value before adjustment} \times \frac{1}{\text{Ratio of split or reverse split}}$$

- ii. If, after the Allotment Date, the Company issues new shares or disposes of treasury shares at a price lower than the current market price (excluding the sale of treasury shares pursuant to the provisions of Article 194 of the Companies Act (demand for the sale of shares less than one unit by a holder of shares less than one unit), the conversion of securities that shall or may be converted to common shares of the Company, and the exercise of stock acquisition rights that enable a demand for the delivery of common shares in the Company, including corporate bonds with stock acquisition rights), the Exercise Value shall be adjusted according to the following formula, and fractions of less than one (1) yen resulting from the adjustment shall be rounded up:

$$\text{Exercise Value after adjustment} = \frac{\text{Exercise Value before adjustment} \times \left( \frac{\text{Number of newly issued shares}}{\text{Market price}} \times \text{Paid-in amount per share} \right) + \text{Number of already issued shares}}{\text{Number of already issued shares} + \text{Number of newly issued shares}}$$

“Number of already issued shares” in the above formula is the number obtained by subtracting the number of treasury shares of the Company’s common shares held by the Company from the total number of common shares issued by the Company, or, if treasury shares are being disposed of, the “number of newly issued shares” shall be interpreted as the number of treasury shares being disposed of.

- iii. Further, in the case where, other than the above, the Company conducts a gratis allotment of other class shares to common shareholders or distribution of dividends to common shareholders who hold shares of another company after the Allotment Date, or other cases where the adjustment of the Exercise Value is appropriate, the Company may adjust the

Exercise Value within a reasonable extent, taking into account the terms of the said allotment or distribution, among other factors.

- 3) Period during which stock acquisition rights may be exercised  
Four (4) years from the date on which five (5) years have elapsed since the Allotment Date
- 4) Matters concerning increase in stated capital and legal capital surplus in the case of issuance of shares through the exercise of stock acquisition rights
  - i. When new shares are issued through the exercise of stock acquisition rights, the amount of capital increase shall be one-half of the maximum amount of increase in stated capital calculated in accordance with Article 17, Paragraph 1 of the Regulation on Corporate Accounting. Fractions of less than 1 yen resulting from the calculation shall be rounded up.
  - ii. When new shares are issued through the exercise of stock acquisition rights, the amount of legal capital surplus increase shall be the amount obtained by subtracting the capital increase determined in i above from the maximum amount of increase in stated capital stated in i above.
- 5) Restrictions on acquisition of stock acquisition rights by assignment  
Acquisition of stock acquisition rights by assignment shall be subject to the approval of the Company's Board of Directors.
- 6) Call of stock acquisition rights  
In the case where any of the proposal i., ii., iii., iv., or v. below is approved at a General Meeting of Shareholders of the Company (or resolved by the Company's Board of Directors if a resolution at the General Meeting of Shareholders is not required), the Company may acquire the stock acquisition rights without contribution on a date to be separately determined by the Board of Directors.
  - i. Proposal for approval of merger agreement in which the Company becomes the company disappearing in the merger
  - ii. Proposal for approval of a company split agreement or company split plan in which the Company becomes the company splitting
  - iii. Proposal for approval of a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary company
  - iv. Proposal for approval of a change to the Articles of Incorporation establishing a provision that requires the Company's approval for the acquisition of the relevant shares by assignment, taken as the features of all shares issued by the Company
  - v. Proposal for approval of a change to the Articles of Incorporation establishing a provision that requires the Company's approval for the acquisition of the relevant shares through assignment or regarding the acquisition of all shares in the relevant class by resolution of the General Meeting of Shareholders, taken as the features of the shares subject to stock acquisition rights
- 7) Policy for decisions concerning the details of delivery of stock acquisition rights of the reorganized company in a reorganization  
In the event that the Company conducts a merger (only if the Company disappears as a result of the merger), absorption-type or incorporation-type company split (only if the Company becomes the company splitting in either case), or share exchange or share transfer (only if the Company becomes a wholly-owned subsidiary company in either case) (hereinafter collectively "Act of Reorganization"), stock acquisition right holders holding stock acquisition rights that remain immediately prior to the date of effect of the Act of Reorganization (referring to the effective date of the merger for an absorption-type merger,

the incorporation date of the company incorporated in a consolidation-type merger, the effective date of the split for an absorption-type split, the incorporation date of the company incorporated in an incorporation-type split, the effective date of the share exchange for a share exchange, and the incorporation date of the wholly owning parent company established by share transfer for a share transfer) (hereinafter, "Remaining Stock Acquisition Rights") shall be granted stock acquisition rights in the stock companies listed in Article 236, Paragraph 1, item (viii), (a) to (e) of the Companies Act (hereinafter "Reorganized Company"). However, this shall be on the condition that the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type split agreement, share exchange agreement, or share transfer plan set forth that stock acquisition rights in the Reorganized Company shall be granted under the following terms:

- i. Number of stock acquisition rights in the Reorganized Company to be granted  
The same number as the number of Remaining Stock Acquisition Rights held by the stock acquisition right holders shall be granted respectively.
  - ii. Class of shares in the Reorganized Company subject to stock acquisition rights  
Common shares in the Reorganized Company
  - iii. Number of shares in the Reorganized Company subject to stock acquisition rights  
To be decided according to 1) above after taking into account the terms of the Act of Reorganization, among other factors
  - iv. Value of assets to be invested upon the exercise of stock acquisition rights  
The value of assets to be invested upon the exercise of each stock acquisition right shall be the amount obtained by multiplying the paid-in amount after the Act of Reorganization, which is obtained by adjusting the Exercise Value as set forth in 2) above taking into account the terms of the Act of Reorganization, among other factors, by the number of shares in the Reorganized Company that are subject to the relevant stock acquisition right as determined according to iii. above.
  - v. Period during which stock acquisition rights may be exercised  
From the later date of either the date of the start of the period in which stock acquisition rights may be exercised as set forth in 3) above or the effective date of the Act of Reorganization until the expiry date of the period during which stock acquisition rights may be exercised as set forth in 3) above
  - vi. Matters concerning increase in stated capital and legal capital surplus in the case of issuance of shares through the exercise of stock acquisition rights  
To be decided according to 4) above
  - vii. Restrictions on acquisition of stock acquisition rights by assignment  
Acquisition of stock acquisition rights by assignment shall be subject to the approval of the Reorganized Company's Board of Directors.
  - viii. Call of stock acquisition rights  
To be decided according to 6) above
  - ix. Other conditions on the exercise of stock acquisition rights  
To be decided according to 9) below
- 8) Arrangement for fractions of less than one share resulting from the exercise of stock acquisition rights  
In the case of fractions of less than one share in the number of shares granted to a stock acquisition right holder who has exercised a stock acquisition right, that fraction shall be rounded down.
- 9) Other conditions on the exercise of stock acquisition rights

If a stock acquisition right holder relinquishes stock acquisition rights, these stock acquisition rights may not be exercised.