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Securities code: 6997

November 30, 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder,

We hereby announce an Extraordinary General Meeting of Shareholders of Nippon Chemi-Con Corporation (the “Company”), which will be held as described hereunder.

The Company has adopted the electronic format in convening this General Meeting of Shareholders. The items subject to measures for electronic provision are available online at the “Notice of the Extraordinary General Meeting of Shareholders (December 22, 2023)” on the following website.

The Company’s website:

<https://www.chemi-con.co.jp/company/ir/event/meeting/>

In addition to this, the following website also provides the information online.

Website of the Tokyo Stock Exchange (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

Access the website above, search by entering the Company name or Code, choose “Basic Information” first and then “Documents for public inspection/PR information” to view the information.

If you are unable to attend the meeting, you may exercise your voting rights by writing or via the Internet. Please review the Reference Materials for General Meeting of Shareholders and exercise your voting rights by 5:30 p.m., December 21, 2023 (Thursday).

Sincerely yours,

Norio Kamiyama, President

NIPPON CHEMI-CON CORPORATION

5-6-4, Osaki, Shinagawa-ku, Tokyo, Japan

MEETING AGENDA

- 1. Date and Time:** 10:00 a.m., December 22 (Friday), 2023 (Reception starts at 9:00 a.m.)
- 2. Venue:** Training Room of the Company (5F), Miyako Gotanda Bldg.
East Wing, 5-6-4, Osaki, Shinagawa-ku, Tokyo, Japan
- 3. Agenda:**

Items to be proposed:

- | | |
|----------------|---|
| Proposal No. 1 | Reduction in the Amount of Capital and Capital Reserves (1) |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Offering of Shares (Class A and Class B Shares) Through Third-Party Allotment |
| Proposal No. 4 | Reduction in the Amount of Capital and Capital Reserves (2) |
| Proposal No. 5 | Election of one (1) Director |

4. Instructions for Exercising Voting Rights:

- (1) To vote in writing, please indicate your approval or disapproval on the enclosed voting form and return the form to the Company by post to reach us by 5:30 p.m. on December 21, 2023 (Thursday).
- (2) To vote via the Internet, please use the login ID and provisional password that are stated on the voting form on the website for exercising voting rights (<https://evote.tr.mufg.jp/> (in Japanese)) and enter your approval or disapproval following the guidance on the screen, by 5:30 p.m. on December 21, 2023 (Thursday).
- (3) If neither approval nor disapproval of each proposal is indicated on the voting form, we consider you have indicated your approval of the proposal.
- (4) If you vote both by voting form and via the Internet, we will treat only the vote submitted via the Internet as valid.
- (5) If you vote more than once via the Internet, we will treat only the most recent vote as valid.

Notes:

1. Attendees are requested to submit the voting form enclosed herewith to the reception desk when attending the meeting.
2. If there are any revisions to the matters subject to measures for electronic provision, the content of these revisions will be posted on the respective websites.

Introduction of the system for providing informational materials for the general meeting of shareholders in electronic format

Following the adoption of the electronic provision system under the amended Company Act, we decided to deliver information materials for the general meeting of shareholders in electronic format. As for this general meeting of shareholders, we are sending a paper copy of the materials to all the shareholders as we had done, regardless of whether they have made a request for delivery of such documents.

Reference Materials for General Meeting of Shareholders

Proposal and Reference Materials

Proposal No. 1: Reduction in the Amount of Capital and Capital Reserves (1)

The Company will reduce the amount of its capital and capital reserves in order to establish a system to enable early resumption of dividends.

1. Details of the reduction in the amount of capital and capital reserves

Pursuant to the provisions of Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act, the amount of capital and capital reserves will be reduced, and the respective amounts reduced transferred to other capital surplus.

(i) Reduction in the amount of capital

¥20,060,622,122

(ii) Item and amount of reserves to be reduced

Capital reserves ¥13,534,621,695

(iii) Item and amount of surplus to be increased

Other capital surplus ¥33,595,243,817

2. Date on which the reduction in the amount of capital and capital reserves becomes effective

December 22, 2023

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for proposal

To enable the issuance of Class A and Class B shares, the Company will add Class A and Class B shares as new classes of shares and will establish new provisions concerning Class A and Class B shares. The Company will also increase the total number of authorized shares and the total number of authorized class shares of common shares in preparation for the issuance of common shares upon exercise of the right to request acquisition for Class A and Class B shares with common shares as consideration. Please refer to Proposal No. 3 for the reasons for the issuance of Class A and Class B shares.

These partial amendments to the Articles of Incorporation are subject to the approval and resolution of Proposals No. 1 and Nos. 3 to 5 as originally proposed.

2. Details of amendments

Details of amendments are as follows:

(Underlined parts are amended.)

Current Articles of Incorporation	Articles of Incorporation after amendments
Chapter II. Stocks	Chapter II. Stocks
(Total Number of Authorized Shares) Article 5 The total number of authorized shares of the Company shall be <u>39,613,200</u> shares.	(Total Number of Authorized Shares) Article 5 The total number of authorized shares of the Company shall be <u>55,000,000</u> shares, <u>and the total number of authorized shares of the Company in each Class, respectively, shall be as follows.</u> <u>Common shares</u> 55,000,000 shares <u>Class A shares</u> 10,000 shares <u>Class B shares</u> 5,000 shares
(Newly established)	(Class A Shares) <u>Article 5-2</u> <u>1. The details of Class A shares issued by the Company shall be specified from the following paragraph to paragraph 10.</u>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p data-bbox="821 327 1054 353"><u>2. Dividends of surplus</u></p> <p data-bbox="836 371 1145 398"><u>(1) Class A preferred dividends</u></p> <p data-bbox="850 418 1353 1547"><u>When the Company decides to distribute dividends of surplus with a record date that falls within a certain fiscal year, it shall distribute dividends of surplus as money at the amount set forth in the following item per Class A share to shareholders holding Class A shares (hereinafter in this Article referred to as “Class A shareholders”) or registered pledgees of Class A shares (hereinafter in this Article referred to collectively with Class A shareholders as “Class A shareholders, etc.”) entered or recorded in the final shareholder register on the record date for the distribution of such dividends of surplus (hereinafter in this Article referred to as the “dividend record date”), in accordance with the payment order set forth in paragraph 10, item (1) of this Article (the amount paid per Class A share as a result of such dividends shall be hereinafter in this Article referred to as “Class A preferred dividends”). In addition, if a fraction of less than ¥1 occurs in the amount obtained by multiplying the Class A preferred dividends by the number of Class A shares held by each Class A shareholder, etc., such fractional amounts shall be rounded down.</u></p> <p data-bbox="836 1568 1257 1594"><u>(2) Amount of Class A preferred dividends</u></p> <p data-bbox="850 1615 1353 1973"><u>To find the amount of the Class A preferred dividends, if the dividend record date falls in a fiscal year ending on or before March 31, 2026, an amount calculated by multiplying ¥1,000,000 (hereinafter in this Article referred to as the “amount equivalent to the amount paid”) by 5.5%, if the dividend record date falls in a fiscal year beginning on or after April 1, 2026, an amount</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>calculated by multiplying the amount equivalent to the amount paid by 7.5%, shall be paid for the actual number of days from the first day of the fiscal year in which the relevant dividend record date falls (however, if the relevant dividend record date belongs to the fiscal year ending on March 31, 2024, this shall be the date of issuance of Class A shares) (including that day) to the relevant dividend record date (including that day).</u></p> <p><u>calculated on a pro-rata daily basis, assuming that one year is 365 days (or, if the relevant fiscal year includes a leap day, 366 days). (This pro-rata division shall be performed at the end, calculated to the second decimal place, then rounded off to the first decimal place.) However, if surplus is distributed to Class A shareholders, etc. on a record date during the fiscal year that includes the relevant dividend record date but prior to the relevant dividend record date, the amount of Class A preferred dividends for the relevant dividend record date shall be the amount after deducting the total amount of each Class A preferred dividend paid.</u></p> <p><u>(3) Non-participation clause</u></p> <p><u>The Company will not pay dividends of surplus to Class A shareholders, etc. in excess of the amount of Class A preferred dividends and the amount equivalent to Class A cumulative unpaid dividends (as set forth in the following item). However, this shall not apply to dividends of surplus due to absorption-type split procedures conducted by the Company provided for in Article 758, item 8(b) or Article 760, item 7(b) of the Companies Act or dividends of surplus due to incorporation-type split procedures conducted by the Company provided</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p data-bbox="852 324 1299 450"><u>for in Article 763, paragraph 1, item 12(b) or Article 765, paragraph 1, item 8(b) of the Companies Act.</u></p> <p data-bbox="836 468 1054 495"><u>(4) Cumulative clause</u></p> <p data-bbox="852 517 1353 1975"><u>If the total amount of dividends of surplus per share paid to Class A shareholders, etc. on the dividend record date for a certain fiscal year (excluding dividends in the amount equivalent to Class A cumulative unpaid dividends (defined below) accumulated pursuant to this item with respect to Class A preferred dividends for each fiscal year prior to the relevant fiscal year) does not reach the amount of Class A preferred dividends for that fiscal year (calculated in accordance with item (2) of this paragraph, assuming that dividends of surplus with a record date of the last day of the relevant fiscal year are to be paid. However, such calculation shall be made assuming that the provisions of the proviso to item (2) of this paragraph do not apply), the amount of the shortfall shall be accumulated for the fiscal year following that fiscal year (hereinafter in this item referred to as the “deficient fiscal year”) and thereafter. In this case, the cumulative amount shall be calculated by adding, for the period from the day following the Ordinary General Meeting of Shareholders for the deficient fiscal year (including that day) until the day on which the cumulative amount is distributed to Class A shareholders, etc. (including that day), the amount calculated using compound interest on an annual basis at an interest rate of 5.5% if that fiscal year is a fiscal year ending on or before March 31, 2026, or 7.5% if that fiscal year is a fiscal year ending on or after April 1, 2026. However, the first year of such</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>calculation shall be from the day following the Ordinary General Meeting of Shareholders for the deficient fiscal year (including that day) to the last day of the fiscal year following the deficient fiscal year (including that day). This shall be calculated on a pro-rata daily basis, assuming that one year is 365 days (or, if the relevant fiscal year includes a leap day, 366 days), with the relevant division to be performed at the end, calculated to the second decimal place, then rounded off to the first decimal place. The amount accumulated pursuant to this item (hereinafter in this Article referred to as the “amount equivalent to Class A cumulative unpaid dividends”) shall be distributed to Class A shareholders, etc. in accordance with the payment order set forth in paragraph 10, item (1) of this Article. In addition, if a fraction of less than ¥1 occurs in the amount obtained by multiplying the amount equivalent to Class A cumulative unpaid dividends for which such dividends are to be paid by the number of Class A shares held by each Class A shareholder, etc., such fractional amounts shall be rounded down.</u></p> <p><u>3. Distribution of residual assets</u></p> <p><u>(1) Distribution of residual assets</u></p> <p><u>When distributing residual assets, the Company shall pay to Class A shareholders, etc., in accordance with the payment order set forth in paragraph 10, item (2) of this Article, the amount equivalent to the amount paid plus the amount equivalent to Class A cumulative unpaid dividends and the daily prorated unpaid preferred dividend amount set forth in item (3) of this paragraph (hereinafter in this Article referred to as the “amount of Class A residual assets distributed”) for</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>each Class A share. However, in this item, if the day of distribution of residual assets (hereinafter in this Article referred to as the “distribution date”) falls within the period from the day following the dividend record date (including that day) to the point when the dividends of surplus based on the dividend record date is made, the dividends of surplus based on the dividend record date will not be considered to have occurred when calculating the amount equivalent to Class A cumulative unpaid dividends. In addition, if a fraction of less than ¥1 occurs in the amount obtained by multiplying the amount of Class A residual assets distributed by the number of Class A shares held by each Class A shareholder, etc., such fractional amounts shall be rounded down.</u></p> <p><u>(2) Non-participation clause</u></p> <p><u>Other than the previous item, no distribution of residual assets will be made to Class A shareholders, etc.</u></p> <p><u>(3) Daily prorated unpaid preferred dividend amount</u></p> <p><u>The daily prorated unpaid preferred dividend amount per Class A share shall be the amount equivalent to the Class A preferred dividends calculated in accordance with item (2) of the preceding paragraph, assuming that Class A preferred dividends are paid in the fiscal year to which the distribution date belongs, with the distribution date as the dividend record date.</u></p> <p><u>(Hereinafter in this Article, the daily prorated unpaid preferred dividend amount per Class A share shall be referred to as the “daily prorated unpaid preferred dividend amount.”)</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p data-bbox="820 324 979 353"><u>4. Voting rights</u></p> <p data-bbox="820 371 1342 495"><u>Class A shareholders do not have voting rights at General Meetings of Shareholders, unless otherwise provided by laws and regulations.</u></p> <p data-bbox="820 515 1353 591"><u>5. Right to request acquisition with common shares as consideration</u></p> <p data-bbox="836 611 1353 687"><u>(1) Right to request acquisition with common shares as consideration</u></p> <p data-bbox="852 707 1353 1406"><u>Class A shareholders may, at any time after the issuance date of the Class A shares, request the Company to acquire all or part of their Class A shares in exchange for delivery of the number of common shares as specified in the following item (hereinafter in this Article referred to as “requested common shares”) (such request shall hereinafter in this Article be referred to as a “request for acquisition with common shares as consideration”). In return for acquiring the Class A shares subject to this request for acquisition with common shares as consideration, the Company shall deliver the requested common shares to the relevant Class A shareholders, within the limits permitted by applicable laws and regulations.</u></p> <p data-bbox="836 1426 1318 1503"><u>(2) Number of common shares to be delivered in exchange for acquisition of Class A shares</u></p> <p data-bbox="852 1523 1353 1982"><u>The number of common shares to be delivered in exchange for the acquisition of Class A shares is determined by multiplying the number of Class A shares in the relevant request for acquisition with common shares as consideration by the sum of (i) the amount obtained by multiplying the amount equivalent to the amount paid per Class A share by the common share consideration acquisition premium specified below and (ii) the amount equivalent to Class A cumulative unpaid dividends</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>and the daily prorated unpaid preferred dividend amount, and dividing it by the acquisition price specified in items (3) through (6) of this paragraph.</u></p> <p><u>In this paragraph, the “day on which the cumulative amount is distributed to Class A shareholders, etc.” for calculating the amount equivalent to Class A cumulative unpaid dividends and the “distribution date” for calculating the daily prorated unpaid preferred dividend amount shall each be read as the “effective date of the request for acquisition with common shares as consideration,” and the amount equivalent to Class A cumulative unpaid dividends and the daily prorated unpaid preferred dividend amount shall be calculated accordingly. In addition, if a fraction of less than one share occurs in the total number of common shares to be delivered in exchange for the acquisition of Class A shares related to a request for acquisition with common shares as consideration, this fraction shall be rounded down, and in this case, money will be not delivered as provided in Article 167, paragraph 3 of the Companies Act.</u></p> <p><u>In this Article, “common share consideration acquisition premium” refers to the numerical values specified by each item below, depending on the period to which the effective date of the request for acquisition with common shares as consideration belongs.</u></p> <p><u>(i) From the day after the issuance date of Class A shares until June 30, 2024: 1.030</u></p> <p><u>(ii) From July 1, 2024 to June 30, 2025: 1.060</u></p> <p><u>(iii) From July 1, 2025 to June 30, 2026: 1.085</u></p> <p><u>(iv) From July 1, 2026 to June 30, 2027: 1.100</u></p> <p><u>(v) After July 1, 2027: 1.110</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>(3) Initial acquisition price</u></p> <p><u>¥1,364.3</u></p> <p><u>(4) Revision of acquisition price</u></p> <p><u>The acquisition price shall be revised (hereinafter in this Article, this post-revision acquisition price shall be referred to as the “revised acquisition price”) on December 31, 2023, and corresponding day every six months thereafter (if the relevant date is not a trading day (defined below), it shall be the next trading day. Hereinafter in this Article referred to as the “acquisition price revision date”) to an amount equivalent to 90% (calculated to the second decimal place and rounded off to the first decimal place) of the average value of the Volume-Weighted Average Price (hereinafter in this Article referred to as “VWAP”) in regular trading of common shares of the Company announced by the Tokyo Stock Exchange, Inc. (hereinafter in this Article referred to as the “Tokyo Stock Exchange”) for the consecutive 20 trading days immediately preceding each applicable acquisition price revision date (the consecutive 20 trading days, excluding days when VWAP is not announced. Hereinafter in this item referred to as the “acquisition price calculation period”) (in addition, if the event specified in the following item occurs during the acquisition price calculation period, the average value of VWAP shall be adjusted to a value that the Company deems appropriate in accordance with the following item), and the revised acquisition price will be applicable from the acquisition price revision date. However, if the revised acquisition price is less than ¥955 (subject to adjustment as per item (6) of this paragraph. Hereinafter in this Article this shall be referred to</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p>as the “<u>Class A minimum acquisition price</u>”), the <u>revised acquisition price shall be the Class A minimum acquisition price.</u></p> <p><u>In this Article, “trading day” refers to days on which regular trading of the Company’s common shares is conducted on the Tokyo Stock Exchange, and does not include days on which VWAP is not announced.</u></p> <p><u>(5) Adjustment of acquisition price</u></p> <p><u>(a) If any of the following events occur on or after the date of issuance of Class A shares, the acquisition price will be adjusted as follows.</u></p> <p><u>(i) In the event of a stock split of common shares or allotment of shares without contribution, the acquisition price shall be adjusted using the following formula. In the case of allotment of shares without contribution, the term “number of common shares issued before split” shall be replaced with “number of common shares issued before allotment without contribution (excluding common shares held by the Company at that time).” and the term “number of common shares issued after split” shall be replaced with “number of common shares issued after allotment without contribution (excluding common shares held by the Company at that time).”</u></p> $\text{Adjusted acquisition price} = \frac{\text{Pre-acquisition price}}{\text{Number of common shares issued before split}} \times \frac{\text{Number of common shares issued after split}}{\text{Number of common shares issued after split}}$ <p><u>The adjusted acquisition price shall be applied from the day following the record</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>date for the stock split or the day from which the allotment of shares without contribution becomes effective (or the day following the record date for allotment of shares without contribution if such a date is specified).</u></p> <p><u>(ii) In the event of consolidation of common shares, the acquisition price shall be adjusted using the following formula.</u></p> $\text{Adjusted acquisition price} = \frac{\text{Pre-acquisition price} \times \text{Number of common shares issued before consolidation}}{\text{Number of common shares issued after consolidation}}$ <p><u>The adjusted acquisition price shall be applied from the date on which the stock consolidation becomes effective.</u></p> <p><u>(iii) If common shares are issued or common shares held by the Company are disposed of with an amount paid per share that is less than the market price per common share specified in (d) of this item (excluding the case of allotment of shares without contribution, the case of acquisition of shares or stock acquisition rights (including those attached to bonds with stock acquisition rights. The same applies hereinafter in this item) in exchange for the issuance of common shares, the case of exercise of stock acquisition rights for common shares, and the case of delivery of common shares through a merger, stock exchange, company split, or stock delivery), the following formula (hereinafter in this Article referred to as the “acquisition price</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>adjustment formula”) shall be used to adjust the acquisition price accordingly. In the acquisition price adjustment formula, when a non-monetary asset is contributed for the purpose of investment, the “amount paid per share” shall be the fairly evaluated amount of the relevant asset. The adjusted acquisition price shall be applied from the day following the payment date (or the last day of the payment period if specified) or, if a record date for allotment to shareholders is specified, from the day following that record date (hereinafter referred to as the “shareholder allotment date”). In the case where the Company disposes of common shares it owns, the “number of common shares newly issued” in the following formula shall be read as the “number of common shares held by the Company for disposal,” and the “number of common shares held by the Company” shall be read as the “number of common shares held by the Company before the disposal.”</u></p> $ \begin{array}{r} \text{Adjusted} \\ \text{acquisition} \\ \text{price} \\ = \\ \text{Pre-} \\ \text{adjustment} \\ \text{acquisition} \\ \text{price} \\ \times \\ \frac{\text{Number of} \\ \text{common shares} \\ \text{already issued}}{\text{Number of} \\ \text{common shares} \\ \text{held by the} \\ \text{Company}} \\ \times \\ \frac{\text{Number of} \\ \text{common shares} \\ \text{newly issued}}{\text{Number of common shares already} \\ \text{issued} \\ - \text{Number of common shares held by} \\ \text{the Company)} \\ + \text{Number of common shares newly} \\ \text{issued}} \\ + \\ \frac{\text{Number of} \\ \text{common shares} \\ \text{newly issued}}{\text{Amount paid per} \\ \text{share}} \\ \times \\ \text{Market price per} \\ \text{common share} \end{array} $ <p><u>(iv) When issuing or disposing of shares that allow for the receipt of common shares at an acquisition price per common share</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>below the market price per common share specified in (d) of this item by causing the Company to acquire them or by having them acquired by the Company (including cases of allotment of shares without contribution), on the date of payment for such shares (if a payment period is specified, on the last day of such payment period. The same shall apply hereinafter in (iv)), or in the case of allotment of shares without contribution, on the date on which this becomes effective (if a record date is determined for allotment of shares without contribution, on such record date. The same shall apply hereinafter in (iv)), or if a shareholder allotment date is specified, on such date, all the shares issued or disposed of shall be deemed to have been acquired and common shares delivered under the original terms, and the amount calculated using such value as the “amount paid per share” in the acquisition price adjustment formula shall be the adjusted acquisition price. The adjusted acquisition price shall be applied from the day following the payment date, or in the case of allotment of shares without contribution, from the day following the day on which this becomes effective, or if a shareholder allotment date is specified, from the day following such date. Notwithstanding the above, if the consideration for the common shares to be delivered upon acquisition has not been determined at the above time, the adjusted acquisition price</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>shall be calculated by assuming that all the shares issued or disposed of at the time of determination of the consideration have been acquired and common shares delivered under the conditions at the time the consideration was determined. This shall apply from the day following the day on which the consideration is determined.</u></p> <p><u>(v) When issuing stock acquisition rights that, either by exercise or by having them acquired by the Company, allow for delivery of common shares at a price equal to the sum of the amount paid for stock acquisition rights per common share plus assets contributed upon exercise of stock acquisition rights (when a non-monetary asset is contributed for the purpose of investment, the fairly evaluated amount of the relevant asset shall be used. The same shall apply hereinafter in (v)) that is lower than the market price per common share specified in (d) of this item (including cases of allotment of stock acquisition rights without contribution), on the allotment date of such stock acquisition rights, or in the case of allotment of stock acquisition rights without contribution, on the date on which it becomes effective (if a record date is determined for allotment of stock acquisition rights without contribution, on such record date. The same shall apply hereinafter in (v)), or if a shareholder allotment date is specified, on such date, all the stock acquisition rights issued shall be deemed to have been</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>exercised or acquired and common shares delivered under the original terms, and the amount calculated using the sum of the amount paid for stock acquisition rights per common share plus the amount per common share for the assets contributed upon exercise of stock acquisition rights as the “amount paid per share” in the acquisition price adjustment formula shall be the adjusted acquisition price. The adjusted acquisition price shall be applied from the day following the allotment date of such stock acquisition rights, or in the case of allotment of stock acquisition rights without contribution, from the day following the day on which this becomes effective, or if a shareholder allotment date is specified, from the day following such date. Notwithstanding the above, if the consideration for the common shares to be delivered upon acquisition or exercise has not been determined at the above time, the adjusted acquisition price shall be calculated by assuming that all the stock acquisition rights issued at the time of determination of the consideration have been exercised or acquired and common shares delivered under the conditions at the time the consideration was determined. This shall apply from the day following the day on which the consideration is determined. However, adjustment of acquisition price according to (v) herein shall not apply to stock acquisition rights for common shares issued for the purpose</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>of stock option granted to Directors, Audit & Supervisory Board Members, Operating Officers, or other officers or employees of the Company or its subsidiaries.</u></p> <p><u>(b) In addition to the reasons listed in (a) of this item, if any of the following (i) to (iii) are found to apply, the Company shall notify Class A shareholders, etc. in advance in writing to that effect, the reason thereof, the adjusted acquisition price, the date of application, and any other necessary matters, and then shall adjust the acquisition price as appropriate.</u></p> <p><u>(i) When it is necessary to adjust the acquisition price due to merger, stock exchange, the acquisition of all or part of the outstanding shares of another company through stock exchange or stock delivery, stock transfer, absorption-type split, the assumption of all or part of the rights and obligations of another company in relation to its business through absorption-type split, or a newly established split.</u></p> <p><u>(ii) When two or more events for adjusting the acquisition price occur successively, requiring consideration of the impact of the other event on the market price to be used in calculating the adjusted acquisition price based on one event.</u></p> <p><u>(iii) When other events occur that result or may possibly result in a modification to the number of common shares issued (excluding common shares held by the Company), requiring an adjustment of the acquisition price.</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p>(c) <u>If calculation is required when adjusting the acquisition price, the calculation shall be made to the second decimal place and rounded off to the first decimal place.</u></p> <p>(d) <u>The market price per common share to be used in the acquisition price adjustment formula shall be the average value of the VWAP (calculated to the second decimal place and rounded off to the first decimal place) in regular trading of common shares of the Company announced by the Tokyo Stock Exchange for the consecutive 20 trading days immediately preceding the date on which the adjusted acquisition price takes effect (however, if the reasons for adjusting the acquisition price are announced on the Company Announcements Disclosure Service provided by the Tokyo Stock Exchange, the date of such announcement).</u></p> <p>(e) <u>If, as a result of calculations made when adjusting the acquisition price, the difference between the adjusted acquisition price and the pre-adjustment acquisition price remains less than ¥0.1, the acquisition price will not be adjusted. However, any adjustments rendered unnecessary by (e) hereof will be carried forward and taken into account in the calculation of subsequent adjustments.</u></p> <p><u>(6) Adjustment of Class A minimum acquisition price</u> <u>If the acquisition price is adjusted pursuant to the provisions of the previous item, the provisions of the previous item shall apply <i>mutatis mutandis</i> to the Class A minimum acquisition price, with</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>“acquisition price” being read as “Class A minimum acquisition price.”</u></p> <p><u>(7) Location handling requests for acquisition with common shares as consideration</u> <u>Office handling shareholder register administration</u> <u>Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation</u> <u>1-4-5 Marunouchi, Chiyoda-ku, Tokyo</u></p> <p><u>(8) Effectiveness of request for acquisition with common shares as consideration</u> <u>A request for acquisition with common shares as consideration becomes effective when the documents required for such request arrive at the location handling requests for acquisition with common shares as consideration, as described in the preceding item, or on the desired effective date stated in the document, whichever is later.</u></p> <p><u>(9) Method of delivering common shares</u> <u>After the request for acquisition with common shares as consideration becomes effective, the Company shall deliver the common shares to the Class A shareholder who requested the acquisition with common shares as consideration by recording the increase in transferred shares in the ownership column of the transfer accounts book at Japan Securities Depository Center, Incorporated or the account management institution designated by that relevant Class A shareholder.</u></p> <p><u>6. Right to request acquisition for monetary consideration</u></p> <p><u>(1) Right to request acquisition for monetary consideration</u> <u>Class A shareholders may, at any time after the issuance date of the Class A shares, request the Company to acquire all or part of their Class A</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>shares (however, partial acquisitions are limited to multiples of 5,000 shares) in exchange for a monetary payment (hereinafter in this Article referred to the “request for acquisition for monetary consideration”). In return for acquiring the Class A shares subject to this request for acquisition for monetary consideration, within the scope permitted by laws and regulations, the Company shall deliver to the relevant Class A shareholders an amount of money obtained by multiplying the number of Class A shares subject to this request for acquisition for monetary consideration by the sum of (i) the amount obtained by multiplying the amount equivalent to the amount paid per Class A share by the redemption coefficient specified below and (ii) the amount equivalent to Class A cumulative unpaid dividends and the daily prorated unpaid preferred dividend amount. In this paragraph, the “day on which the cumulative amount is distributed to Class A shareholders, etc.” for calculating the amount equivalent to Class A cumulative unpaid dividends and the “distribution date” for calculating the daily prorated unpaid preferred dividend amount shall each be read as the “effective date of the request for acquisition for monetary consideration,” and the amount equivalent to Class A cumulative unpaid dividends and the daily prorated unpaid preferred dividend amount shall be calculated accordingly. In addition, any fractions of less than ¥1 occurring in the monetary amount to be delivered in exchange for the acquisition of Class A shares related to the request for acquisition for monetary consideration shall be rounded down.</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>In this Article, “redemption coefficient” refers to the numerical values specified by each item below, depending on the period to which the monetary redemption date belongs.</u></p> <p><u>(i) From the day after the issuance date of Class A shares until June 30, 2024: 1.030</u></p> <p><u>(ii) From July 1, 2024 to June 30, 2025: 1.060</u></p> <p><u>(iii) From July 1, 2025 to June 30, 2026: 1.085</u></p> <p><u>(iv) From July 1, 2026 to June 30, 2027: 1.100</u></p> <p><u>(v) After July 1, 2027: 1.110</u></p> <p><u>(2) Effectiveness of request for acquisition for monetary consideration</u></p> <p><u>A request for acquisition for monetary consideration becomes effective when the documents required for such request arrive at the Company, or on the desired effective date stated in the document, whichever is later.</u></p> <p><u>7. Acquisition clause for monetary consideration</u></p> <p><u>At any time after the issuance date of Class A shares, upon the arrival of a date specified separately by the Company’s Board of Directors (hereinafter referred to as the “monetary redemption date”), after providing Class A shareholders, etc. with written notice (which cannot be revoked) at least 10 trading days (referring to days on which regular trading of the Company’s common shares is conducted on the Tokyo Stock Exchange) prior to the monetary redemption date, the Company may acquire all or part of their Class A shares (however, partial acquisitions are limited to multiples of 5,000 shares) in return for monetary payment (hereinafter in this Article referred to as “redemption for monetary consideration”), within the scope permitted by laws and regulations, and in exchange for acquiring the relevant Class A shares, the Company shall provide</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>Class A shareholders with an amount of money obtained by multiplying the number of Class A shares related to such redemption for monetary consideration by the sum of (i) the amount obtained by multiplying the amount equivalent to the amount paid per Class A share by the redemption coefficient specified in the preceding paragraph and (ii) the amount equivalent to Class A cumulative unpaid dividends and the daily prorated unpaid preferred dividend amount. In this paragraph, the “day on which the cumulative amount is distributed to Class A shareholders, etc.” for calculating the amount equivalent to Class A cumulative unpaid dividends and the “distribution date” for calculating the daily prorated unpaid preferred dividend amount shall each be read as the “monetary redemption date,” and the amount equivalent to Class A cumulative unpaid dividends and the daily prorated unpaid preferred dividend amount shall be calculated accordingly. In addition, any fractions of less than ¥1 occurring in the monetary amount to be delivered in exchange for the acquisition of Class A shares related to the redemption for monetary consideration shall be rounded down.</u></p> <p><u>When acquiring Class A shares in part, the Class A shares to be acquired from the Class A shareholders shall be determined by proportionate distribution or other reasonable method determined by the Board of Directors of the Company.</u></p> <p><u>8. Preclusion of the seller’s right to make additional claims upon acquisition of treasury shares</u></p> <p><u>If the Company decides by resolution of a General Meeting of Shareholders and in agreement with Class A shareholders to acquire the Class A shares held by those Class A shareholders, whether in whole or in</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>part, then provisions of Article 160, paragraphs 2 and 3 of the Companies Act shall not apply.</u></p> <p><u>9. Consolidation or split of shares, allotment of offered shares, etc.</u></p> <p><u>(1) The Company shall not conduct stock split or consolidation of Class A shares.</u></p> <p><u>(2) The Company shall not grant Class A shareholders the right to receive an allotment of offered shares or the right to receive an allotment of offered stock acquisition rights.</u></p> <p><u>(3) The Company shall not allot shares without contribution or stock acquisition rights without contribution to Class A shareholders.</u></p> <p><u>10. Order of priority</u></p> <p><u>(1) The payment order among Class A preferred dividends, the amount equivalent to Class A cumulative unpaid dividends, and distribution of dividends of surplus to shareholders holding common shares or registered pledgees of common shares (hereinafter in this Article referred to collectively as “common shareholders, etc.”) and shareholders holding Class B shares or registered pledgees of Class B shares (hereinafter in this Article referred to collectively as “Class B shareholders, etc.”) is as follows: the amount equivalent to Class A cumulative unpaid dividends takes first priority, Class A preferred dividends take second priority, and distribution of dividends of surplus to common shareholders, etc. and Class B shareholders, etc. takes third priority.</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>(2) The payment order for distribution of residual assets related to Class A shares, Class B shares, and common shares is as follows: distribution of residual assets related to Class A shares and Class B shares takes first priority, and distribution of residual assets related to common shares takes second priority.</u></p> <p><u>(3) If the amount to be distributed by the Company as dividends of surplus or residual assets is less than the total amount required to distribute dividends of surplus or residual assets at a given order of priority, distribution of dividends of surplus or residual assets shall be carried out on a pro rata basis corresponding to the amount necessary to distribute dividends of surplus or residual assets of the relevant order of priority.</u></p>
(Newly established)	<p><u>(Class B Shares)</u></p> <p><u>Article 5-3</u></p> <p><u>1. The details of Class B shares issued by the Company shall be specified from the following paragraph to paragraph 9.</u></p> <p><u>2. Dividends of surplus</u></p> <p><u>(1) Class B dividends</u></p> <p><u>When the Company decides to distribute dividends of surplus to shareholders holding common shares or registered pledgees of common shares (hereinafter in this Article referred to collectively as “common shareholders, etc.”) with a record date that falls within a certain fiscal year, it shall distribute dividends of surplus as money at the amount set forth in the following item per Class B share to shareholders holding Class B shares (hereinafter in this Article referred to as “Class B shareholders”) or registered pledgees of Class B</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>shares (hereinafter in this Article referred to collectively with Class B shareholders as “Class B shareholders, etc.”) entered or recorded in the final shareholder register on the record date for the distribution of such dividends of surplus (hereinafter in this Article referred to as the “dividend record date”), in accordance with the payment order set forth in paragraph 9, item (1) of this Article (the amount paid per Class B share as a result of such dividends shall be hereinafter in this Article referred to as “Class B dividends”). In addition, if a fraction of less than ¥1 occurs in the amount obtained by multiplying the Class B dividends by the number of Class B shares held by each Class B shareholder, etc., such fractional amounts shall be rounded down.</u></p> <p><u>(2) Amount of Class B dividends</u></p> <p><u>The amount of Class B dividends shall be determined by multiplying the amount of dividends of surplus to be distributed per common share by the number obtained by dividing ¥1,000,000 (hereinafter in this Article referred to as the “amount equivalent to the amount paid”) by the acquisition price on the relevant dividend record date as set forth in paragraph 5, items 3 to 6 of this Article. (The division shall be performed at the end, calculated to the second decimal place, then rounded off to the first decimal place.)</u></p> <p><u>The Company will not pay dividends of surplus to Class B shareholders, etc. in excess of the amount of Class B dividends. However, this shall not apply to dividends of surplus due to absorption-type split procedures conducted by the Company provided for in Article 758, item 8(b) or Article 760, item 7(b) of the Companies Act or dividends of surplus</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>due to incorporation-type split procedures conducted by the Company provided for in Article 763, paragraph 1, item 12(b) or Article 765, paragraph 1, item 8(b) of the Companies Act.</u></p> <p><u>3. Distribution of residual assets</u></p> <p><u>(1) Distribution of residual assets</u></p> <p><u>When distributing residual assets, the Company shall pay to Class B shareholders, etc., the amount equivalent to the amount paid for each Class B share, in accordance with the payment order set forth in paragraph 9, item (2) of this Article.</u></p> <p><u>(2) Non-participation clause</u></p> <p><u>Other than the previous item, no distribution of residual assets will be made to Class B shareholders, etc.</u></p> <p><u>4. Voting rights</u></p> <p><u>Class B shareholders do not have voting rights at General Meetings of Shareholders, unless otherwise provided by laws and regulations.</u></p> <p><u>5. Right to request acquisition with common shares as consideration</u></p> <p><u>(1) Right to request acquisition with common shares as consideration</u></p> <p><u>Class B shareholders may, at any time after the issuance date of the Class B shares, request the Company to acquire all or part of their Class B shares in exchange for delivery of the number of common shares as specified in the following item (hereinafter in this Article referred to as “requested common shares”) (such request shall hereinafter in this Article be referred to as a “request for acquisition with common shares as consideration”).</u></p> <p><u>In return for acquiring the Class B shares related to this request for acquisition with common shares as consideration, the Company shall deliver the</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>requested common shares to the Class B shareholder, within the limits permitted by applicable laws and regulations.</u></p> <p><u>(2) Number of common shares to be delivered in exchange for acquisition of Class B shares</u> <u>The number of common shares to be delivered in exchange for the acquisition of Class B shares is determined by multiplying the number of Class B shares in the relevant request for acquisition with common shares as consideration by the amount obtained by multiplying the amount equivalent to the amount paid per Class B share by the common share consideration acquisition premium specified below, and dividing it by the acquisition price specified in items (3) through (6) of this paragraph.</u> <u>In addition, if a fraction of less than one share occurs in the total number of common shares to be delivered in exchange for the acquisition of Class B shares related to a request for acquisition with common shares as consideration, this fraction shall be rounded down, and in this case, money will be not delivered as provided in Article 167, paragraph 3 of the Companies Act.</u> <u>In this Article, “common share consideration acquisition premium” refers to the numerical values specified by each item below, depending on the period to which the effective date of the request for acquisition with common shares as consideration belongs.</u></p> <p><u>(i) From the day after the issuance date of Class B shares until June 30, 2024: 1.1</u></p> <p><u>(ii) From July 1, 2024 to June 30, 2025: 1.255</u></p> <p><u>(iii) From July 1, 2025 to June 30, 2026: 1.415</u></p> <p><u>(iv) After July 1, 2026: 1.605</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p data-bbox="837 324 1101 353"><u>(3) Initial acquisition price</u></p> <p data-bbox="850 369 938 398"><u>¥1,364.3</u></p> <p data-bbox="837 421 1157 450"><u>(4) Revision of acquisition price</u></p> <p data-bbox="850 465 1353 1982"> <u>The acquisition price shall be revised (hereinafter in this Article, this post-revision acquisition price shall be referred to as the “revised acquisition price”) on December 31, 2023, and corresponding day every six months thereafter (if the relevant date is not a trading day (defined below), it shall be the next trading day. Hereinafter in this Article referred to as the “acquisition price revision date”) to an amount equivalent to 90% (calculated to the second decimal place and rounded off to the first decimal place) of the average value of the Volume-Weighted Average Price (hereinafter in this Article referred to as “VWAP”) in regular trading of common shares of the Company announced by the Tokyo Stock Exchange, Inc. (hereinafter in this Article referred to as the “Tokyo Stock Exchange”) for the consecutive 20 trading days immediately preceding each applicable acquisition price revision date (the consecutive 20 trading days, excluding days when VWAP is not announced. Hereinafter in this item referred to as the “acquisition price calculation period”) (in addition, if the event specified in the following item occurs during the acquisition price calculation period, the average value of VWAP shall be adjusted to a value that the Company deems appropriate in accordance with the following item), and the revised acquisition price will be applicable from the acquisition price revision date. However, if the revised acquisition price is less than ¥955 (subject to adjustment as per item (6) of this paragraph. Hereinafter in this Article this shall be referred to</u> </p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p>as the “Class B minimum acquisition price”), the revised acquisition price shall be the Class B minimum acquisition price; further, if the revised acquisition price exceeds ¥1,773.6 (subject to adjustment as per item (6) of this paragraph. Hereinafter in this Article this shall be referred to as the “Class B maximum acquisition price”), the revised acquisition price shall be the Class B maximum acquisition price.</p> <p>In this Article, “trading day” refers to days on which regular trading of the Company’s common shares is conducted on the Tokyo Stock Exchange, and does not include days on which VWAP is not announced.</p> <p><u>(5) Adjustment of acquisition price</u></p> <p><u>(a) If any of the following events occur on or after the date of issuance of Class B shares, the acquisition price will be adjusted as follows.</u></p> <p><u>(i) In the event of a stock split of common shares or allotment of shares without contribution, the acquisition price shall be adjusted using the following formula. In the case of allotment of shares without contribution, the term “number of common shares issued before split” shall be replaced with “number of common shares issued before allotment without contribution (excluding common shares held by the Company at that time).” and the term “number of common shares issued after split” shall be replaced with “number of common shares issued after allotment without contribution (excluding common shares held by the Company at that time).”</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	$\frac{\text{Adjusted acquisition price}}{\text{Pre-acquisition price}} = \frac{\text{Pre-adjustment acquisition price}}{\text{Pre-acquisition price}} \times \frac{\text{Number of common shares issued before split}}{\text{Number of common shares issued after split}}$ <p><u>The adjusted acquisition price shall be applied from the day following the record date for the stock split or the day from which the allotment of shares without contribution becomes effective (or the day following the record date for allotment of shares without contribution if such a date is specified).</u></p> <p><u>(ii) In the event of consolidation of common shares, the acquisition price shall be adjusted using the following formula.</u></p> $\frac{\text{Adjusted acquisition price}}{\text{Pre-acquisition price}} = \frac{\text{Pre-adjustment acquisition price}}{\text{Pre-acquisition price}} \times \frac{\text{Number of common shares issued before consolidation}}{\text{Number of common shares issued after consolidation}}$ <p><u>The adjusted acquisition price shall be applied from the date on which the stock consolidation becomes effective.</u></p> <p><u>(iii) If common shares are issued or common shares held by the Company are disposed of with an amount paid per share that is less than the market price per common share specified in (d) of this item (excluding the case of allotment of shares without contribution, the case of acquisition of shares or stock acquisition rights (including those attached to bonds with stock acquisition rights. The same applies hereinafter in this item) in exchange for the issuance of common shares, the case of exercise of stock</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>acquisition rights for common shares, and the case of delivery of common shares through a merger, stock exchange, company split, or stock delivery), the following formula (hereinafter in this Article referred to as the “acquisition price adjustment formula”) shall be used to adjust the acquisition price accordingly. In the acquisition price adjustment formula, when a non-monetary asset is contributed for the purpose of investment, the “amount paid per share” shall be the fairly evaluated amount of the relevant asset. The adjusted acquisition price shall be applied from the day following the payment date (or the last day of the payment period if specified) or, if a record date for allotment to shareholders is specified, from the day following that record date (hereinafter referred to as the “shareholder allotment date”). In the case where the Company disposes of common shares it owns, the “number of common shares newly issued” in the following formula shall be read as the “number of common shares held by the Company for disposal,” and the “number of common shares held by the Company” shall be read as the “number of common shares held by the Company before the disposal.”</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	$\frac{\text{Adjusted acquisition price}}{\text{Pre-acquisition price}} = \frac{\text{Pre-acquisition price} \times \left(\frac{\text{Number of common shares already issued}}{\text{Number of common shares held by the Company}} + \frac{\text{Number of common shares newly issued} \times \text{Amount paid per share}}{\text{Market price per common share}} \right)}{\text{Number of common shares already issued} - \text{Number of common shares held by the Company} + \text{Number of common shares newly issued}}$ <p>(iv) When issuing or disposing of shares that allow for the receipt of common shares at an acquisition price per common share below the market price per common share specified in (d) of this item by causing the Company to acquire them or by having them acquired by the Company (including cases of allotment of shares without contribution), on the date of payment for such shares (if a payment period is specified, on the last day of such payment period. The same shall apply hereinafter in (iv)), or in the case of allotment of shares without contribution, on the date on which this becomes effective (if a record date is determined for allotment of shares without contribution, on such record date. The same shall apply hereinafter in (iv)), or if a shareholder allotment date is specified, on such date, all the shares issued or disposed of shall be deemed to have been acquired and common shares delivered under the original terms, and the amount calculated using such value as the “amount paid per share” in the acquisition price adjustment formula shall be the adjusted acquisition price. The adjusted acquisition price shall</p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>be applied from the day following the payment date, or in the case of allotment of shares without contribution, from the day following the day on which this becomes effective, or if a shareholder allotment date is specified, from the day following such date. Notwithstanding the above, if the consideration for the common shares to be delivered upon acquisition has not been determined at the above time, the adjusted acquisition price shall be calculated by assuming that all the shares issued or disposed of at the time of determination of the consideration have been acquired and common shares delivered under the conditions at the time the consideration was determined. This shall apply from the day following the day on which the consideration is determined.</u></p> <p><u>(v) When issuing stock acquisition rights that, either by exercise or by having them acquired by the Company, allow for delivery of common shares at a price equal to the sum of the amount paid for stock acquisition rights per common share plus assets contributed upon exercise of stock acquisition rights (when a non-monetary asset is contributed for the purpose of investment, the fairly evaluated amount of the relevant asset shall be used. The same shall apply hereinafter in (v)) that is lower than the market price per common share specified in (d) of this item (including cases of allotment of stock acquisition rights without contribution), on the</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>allotment date of such stock acquisition rights, or in the case of allotment of stock acquisition rights without contribution, on the date on which it becomes effective (if a record date is determined for allotment of stock acquisition rights without contribution, on such record date. The same shall apply hereinafter in (v)), or if a shareholder allotment date is specified, on such date, all the stock acquisition rights issued shall be deemed to have been exercised or acquired and common shares delivered under the original terms, and the amount calculated using the sum of the amount paid for stock acquisition rights per common share plus the amount per common share for the assets contributed upon exercise of stock acquisition rights as the “amount paid per share” in the acquisition price adjustment formula shall be the adjusted acquisition price. The adjusted acquisition price shall be applied from the day following the allotment date of such stock acquisition rights, or in the case of allotment of stock acquisition rights without contribution, from the day following the day on which this becomes effective, or if a shareholder allotment date is specified, from the day following such date. Notwithstanding the above, if the consideration for the common shares to be delivered upon acquisition or exercise has not been determined at the above time, the adjusted acquisition price shall be calculated by assuming that all the</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>stock acquisition rights issued at the time of determination of the consideration have been exercised or acquired and common shares delivered under the conditions at the time the consideration was determined. This shall apply from the day following the day on which the consideration is determined. However, adjustment of acquisition price according to (v) herein shall not apply to stock acquisition rights for common shares issued for the purpose of stock option granted to Directors, Audit & Supervisory Board Members, Operating Officers, or other officers or employees of the Company or its subsidiaries.</u></p> <p><u>(b) In addition to the reasons listed in (a) of this item, if any of the following (i) to (iii) are found to apply, the Company shall notify Class B shareholders, etc. in advance in writing to that effect, the reason thereof, the adjusted acquisition price, the date of application, and any other necessary matters, and then shall adjust the acquisition price as appropriate.</u></p> <p><u>(i) When it is necessary to adjust the acquisition price due to merger, stock exchange, the acquisition of all or part of the outstanding shares of another company through stock exchange or stock delivery, stock transfer, absorption-type split, the assumption of all or part of the rights and obligations of another company in relation to its business through absorption-type split, or a newly established split.</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>(ii) When two or more events for adjusting the acquisition price occur successively, requiring consideration of the impact of the other event on the market price to be used in calculating the adjusted acquisition price based on one event.</u></p> <p><u>(iii) When other events occur that result or may possibly result in a modification to the number of common shares issued (excluding common shares held by the Company), requiring an adjustment of the acquisition price.</u></p> <p><u>(c) If calculation is required when adjusting the acquisition price, the calculation shall be made to the second decimal place and rounded off to the first decimal place.</u></p> <p><u>(d) The market price per common share to be used in the acquisition price adjustment formula shall be the average value of the VWAP (calculated to the second decimal place and rounded off to the first decimal place) in regular trading of common shares of the Company announced by the Tokyo Stock Exchange for the consecutive 20 trading days immediately preceding the date on which the adjusted acquisition price takes effect (however, if the reasons for adjusting the acquisition price are announced on the Company Announcements Disclosure Service provided by the Tokyo Stock Exchange, the date of such announcement).</u></p> <p><u>(e) If, as a result of calculations made when adjusting the acquisition price, the difference between the adjusted acquisition price and the pre-adjustment acquisition price remains less</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>than ¥0.1, the acquisition price will not be adjusted. However, any adjustments rendered unnecessary by (e) hereof will be carried forward and taken into account in the calculation of subsequent adjustments.</u></p> <p><u>(6) Adjustment of Class B minimum acquisition price and Class B maximum acquisition price</u> <u>If the acquisition price is adjusted pursuant to the provisions of the previous item, the provisions of the previous item shall apply <i>mutatis mutandis</i> to the Class B minimum acquisition price and Class B maximum acquisition price, with “acquisition price” being read as “Class B minimum acquisition price” or “Class B maximum acquisition price.”</u></p> <p><u>(7) Location handling requests for acquisition with common shares as consideration</u> <u>Office handling shareholder register administration</u> <u>Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation</u> <u>1-4-5 Marunouchi, Chiyoda-ku, Tokyo</u></p> <p><u>(8) Effectiveness of request for acquisition with common shares as consideration</u> <u>A request for acquisition with common shares as consideration becomes effective when the documents required for such request arrive at the location handling requests for acquisition with common shares as consideration, as described in the preceding item, or on the desired effective date stated in the document, whichever is later.</u></p> <p><u>(9) Method of delivering common shares</u> <u>After the request for acquisition with common shares as consideration becomes effective, the Company shall deliver the common shares to the Class B shareholder who requested the acquisition with common shares as consideration by recording</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>the increase in transferred shares in the ownership column of the transfer accounts book at Japan Securities Depository Center, Incorporated or the account management institution designated by that relevant Class B shareholder.</u></p> <p><u>6. Acquisition clause for monetary consideration</u> <u>At any time after the issuance date of Class B shares, and only when there are no issued Class A shares (excluding those held by the Company), upon the arrival of a date specified separately by the Company’s Board of Directors (hereinafter referred to as the “monetary redemption date”), after providing Class B shareholders, etc. with written notice (which cannot be revoked) at least 10 trading days (referring to days on which regular trading of the Company’s common shares is conducted on the Tokyo Stock Exchange) prior to the monetary redemption date, the Company may acquire all or part of their Class B shares (however, partial acquisitions are limited to multiples of 1,000 shares) in return for monetary payment (hereinafter in this Article referred to as “redemption for monetary consideration”), within the scope permitted by laws and regulations, and in exchange for acquiring the relevant Class B shares, the Company shall provide Class B shareholders with an amount of money obtained by multiplying the number of Class B shares related to such redemption for monetary consideration by the amount obtained by multiplying the amount equivalent to the amount paid per Class B share by the redemption coefficient specified below.</u> <u>In addition, any fractions of less than ¥1 occurring in the monetary amount to be delivered in exchange for the acquisition of Class B shares related to the</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p><u>redemption for monetary consideration shall be rounded down.</u></p> <p><u>In this Article, “redemption coefficient” refers to the numerical values specified by each item below, depending on the period to which the monetary redemption date belongs.</u></p> <p><u>(i) From the day after the issuance date of Class B shares until June 30, 2024: 1.1</u></p> <p><u>(ii) From July 1, 2024 to June 30, 2025: 1.255</u></p> <p><u>(iii) From July 1, 2025 to June 30, 2026: 1.415</u></p> <p><u>(iv) From July 1, 2026 to June 30, 2027: 1.605</u></p> <p><u>(v) After July 1, 2027: 1.805</u></p> <p><u>When acquiring Class B shares in part, the Class B shares to be acquired from the Class B shareholders shall be determined by proportionate distribution or other reasonable method determined by the Board of Directors of the Company.</u></p> <p><u>7. Preclusion of the seller’s right to make additional claims upon acquisition of treasury shares</u></p> <p><u>If the Company decides by resolution of a General Meeting of Shareholders and in agreement with Class B shareholders to acquire the Class B shares held by those Class B shareholders, whether in whole or in part, then provisions of Article 160, paragraphs 2 and 3 of the Companies Act shall not apply.</u></p> <p><u>8. Consolidation or split of shares, allotment of offered shares, etc.</u></p> <p><u>(1) The Company shall not conduct stock split or consolidation of Class B shares.</u></p> <p><u>(2) The Company shall not grant Class B shareholders the right to receive an allotment of offered shares or the right to receive an allotment of offered stock acquisition rights.</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
	<p data-bbox="836 327 1337 450"><u>(3) The Company shall not allot shares without contribution or stock acquisition rights without contribution to Class B shareholders.</u></p> <p data-bbox="820 472 1018 499"><u>9. Order of priority</u></p> <p data-bbox="836 521 1353 1070"><u>(1) The payment order among Class A preferred dividends (defined in Article 5-2), the amount equivalent to Class A cumulative unpaid dividends (defined in Article 5-2), and distribution of dividends of surplus to common shareholders, etc. and Class B shareholders, etc. is as follows: the amount equivalent to Class A cumulative unpaid dividends takes first priority, Class A preferred dividends take second priority, and distribution of dividends of surplus to common shareholders, etc. and Class B shareholders, etc. takes third priority.</u></p> <p data-bbox="836 1093 1353 1406"><u>(2) The payment order for distribution of residual assets related to Class A shares, Class B shares, and common shares is as follows: distribution of residual assets related to Class A shares and Class B shares takes first priority, and distribution of residual assets related to common shares takes second priority.</u></p> <p data-bbox="836 1429 1353 1832"><u>(3) If the amount to be distributed by the Company as dividends of surplus or residual assets is less than the total amount required to distribute dividends of surplus or residual assets at a given order of priority, distribution of dividends of surplus or residual assets shall be carried out on a pro rata basis corresponding to the amount necessary to distribute dividends of surplus or residual assets of the relevant order of priority.</u></p>

Current Articles of Incorporation	Articles of Incorporation after amendments
<p>(Number of Shares per Unit)</p> <p>Article 7</p> <p>The number of shares per unit of the Company shall be 100 shares.</p>	<p>(Number of Shares per Unit)</p> <p>Article 7</p> <p>The number of shares per unit of the Company's <u>common shares</u> shall be 100 shares, <u>and the number of shares per unit of Class A shares and Class B shares shall be 1 share, respectively.</u></p>
<p>Chapter III. General Meetings of Shareholders</p>	<p><u>Chapter III. General Meetings of Shareholders</u></p>
<p>(Newly established)</p>	<p><u>(General Meetings of Class Shareholders)</u></p> <p><u>Article 16-2</u></p> <p><u>1. The provisions of Article 11 shall apply, <i>mutatis mutandis</i>, to a General Meeting of Class Shareholders held on the same day as an Ordinary General Meeting of Shareholders.</u></p> <p><u>2. The provisions of Articles 13, 14, and 16 shall apply, <i>mutatis mutandis</i>, to General Meetings of Class Shareholders.</u></p> <p><u>3. The provisions of Article 15, paragraph 1 shall apply, <i>mutatis mutandis</i>, to the resolutions of General Meetings of Class Shareholders pursuant to the provisions of Article 324, paragraph 1 of the Companies Act, while the provisions of Article 15, paragraph 2 shall apply, <i>mutatis mutandis</i>, to the resolutions of General Meetings of Class Shareholders pursuant to the provisions of Article 324, paragraph 2 of the Companies Act, respectively.</u></p>

Proposal No. 3: Offering of Shares (Class A and Class B Shares) Through Third-Party Allotment

Based on the provisions of Article 199 of the Companies Act, we request your approval for the offering, through third-party allotment (hereinafter referred to as the “Capital Increase Through Third-Party Allotment”), of shares (Class A shares and Class B shares) (hereinafter referred to as the “Class Shares”) to Japan Industrial Solutions III Investment Limited Partnership (hereinafter referred to as the “Scheduled Allottee”) for reasons stated in 1. below, and in accordance with the procedure described in 2. below.

If these Class Shares are allotted to the Scheduled Allottee through this Capital Increase Through Third-Party Allotment, and if the right to request acquisition with common shares as consideration is exercised for all of these Class Shares, common shares with a maximum of 200,261 voting rights will be delivered, and the ratio of voting rights attached to such common shares to the total number of voting rights pertaining to the Company’s issued common shares based on the shareholder register as of March 31, 2023, which is 201,894, will be approximately 99.19%. Since this Capital Increase Through Third-Party Allotment will result in a dilution rate of 25% or more as described above, we request that shareholders confirm their intentions regarding this proposal at this Extraordinary General Meeting of Shareholders, pursuant to Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange, Inc. This Capital Increase Through Third-Party Allotment is subject to the approval and resolution of Proposals No. 1, No. 2, No. 4, and No. 5 as originally proposed.

1. Reasons for offering shares at particularly advantageous paid-in amounts

(1) Purpose of and reason for the offering

(i) Circumstances leading up to the offering, and the purpose of the offering

Since our founding in 1931 as Japan’s first manufacturer of aluminum capacitors, we have stably supplied aluminum electrolytic capacitors and various other electronic components to the electronics market as a leading company in the industry. Our Group is characterized by the fact that all processes pertaining to our products, from material research to production equipment design and product realization, are carried out in an integrated manner within the Group. This enables us to supply our customers at all times with electronic components that are original and highly reliable. By leveraging such strengths, we have been steadily increasing our sales overseas, and have achieved steady growth to date, hitting a record high of ¥143.2 billion in sales for the fiscal year ended March 31, 2008, for example. However, since 2014, the Group has been accused of violating competition laws in transactions involving aluminum electrolytic capacitors, etc., and in some countries,

authorities in charge of enforcing competition laws have issued decisions regarding fines and filed civil lawsuits in cases related to such violations of competition laws, requiring the Company to pay large amounts as settlements in some of these cases while it continues to respond to them in court. This has adversely affected the Company's business performance to a significant extent for a long time.

For example, recently, the Company and its subsidiary United Chemi-Con Inc. (hereinafter referred to as "Companies") were subjected to class action civil lawsuits seeking compensation for competition law violations etc. related to electrolytic capacitors and film capacitors in the courts of each province of Canada (Ontario, Quebec, and British Columbia). Although the Companies did not acknowledge any liability for damages, etc., after comprehensively considering various circumstances, we ended up paying the plaintiffs a settlement of CN\$21.3 million (approximately ¥2.1 billion at the exchange rate at the time of the announcement (the same applies to exchange rates below)) in May 2023.

In the United States as well, multiple civil lawsuits have been filed against the Companies as defendants, seeking damages for violations of U.S. antitrust laws, etc. related to electrolytic capacitors and film capacitors, which we have had to deal with through such measures as agreeing to pay US\$160 million (approximately ¥18.0 billion) in December 2021 and US\$31.5 million (approximately ¥4.3 billion) in July 2022. Furthermore, most recently, the United States District Court for the Northern District of California issued a judgment ordering the Companies to pay a total of US\$150.677 million (approximately ¥21.0 billion) in a civil lawsuit against Avnet, Inc., in June 2023. Dissatisfied with the judgment, the Companies filed an appeal in June 2023. However, after comprehensively considering various circumstances, the Companies decided to reach a settlement with Avnet, Inc. regarding the civil suit and all claims related thereto, and also decided to settle the civil lawsuits with three companies among the individual plaintiffs other than Avnet, Inc., paying a total of US\$125 million (approximately ¥17.8 billion) as settlement to Avnet, Inc. and the three individual plaintiffs. In addition, after comprehensively considering various circumstances, the Companies decided to settle with Arrow Electronics, Inc. as well, an individual plaintiff with which it had not yet reached a settlement, in September 2023, paying a total of US\$75 million (approximately ¥11.0 billion) as settlement. As described above, the Group has been forced to make large cash payments as settlements etc. related to a series of civil lawsuits, especially since the beginning of this fiscal year, with settlements in Canada and the United States alone requiring the Company to make payments amounting to approximately ¥30.9 billion. This has had

a significant negative impact on our business results and financial condition. All such payment of settlements will be recorded under extraordinary losses as antitrust law-related loss, and will be a factor in the reduction of quarterly net income attributable to the shareholders of the parent company of the Group and consolidated net assets. There is a possibility that the Companies may yet receive compensation for damages in the future as a result of this matter. However, with the above-mentioned settlement with Arrow Electronics, Inc., all civil lawsuits filed against the Companies in the United States seeking compensation for damages due to violations of U.S. antitrust laws, etc. regarding electrolytic capacitors and film capacitors will come to an end, and we believe that our dealings with violations of competition law related to transactions in aluminum electrolytic capacitors, etc., which have been ongoing since 2014, are on the whole drawing to a close. We also believe that now is the time to formulate and implement measures for the Group's sustainable growth in order to once again improve our corporate value over the medium to long term. In this regard, from April 2023, the Group will implement the 10th Medium-term Management Plan (fiscal 2023 to fiscal 2025) (hereinafter referred to as the "Medium-term Management Plan") (Note) featuring the basic policy of achieving "high-quality growth through enhancement of adaptability (resilience)," and have drawn up various priority measures in order to flexibly respond to the uncertain business environment surrounding the Group and to continue to achieve sustainable growth. Therefore, the Group believes that steadily implementing the various priority measures outlined in the Medium-term Management Plan is the important task facing management going forward. In particular, regarding the conductive polymer hybrid aluminum electrolytic capacitor business, for which demand is expected to rise in the future, we are planning to build a new factory and increase production capacity, and there is a substantial need for capital and funding.

Note: We have published the contents of the Medium-term Management Plan on the Company website below. We will promptly disclose any changes to the contents of the Medium-term Management Plan.

Address: <https://contents.xj-storage.jp/xcontents/AS06080/1726fce3/332a/46ea/9bae/e408c9dad3de/20230517150847253s.pdf>

As a result of the circumstances described above, we have come to believe that it is essential to secure the necessary funds, by raising capital through equity financing, to rehabilitate the consolidated net assets of the Group, which were reduced by our

handling of competition law violations related to aluminum electrolytic capacitor transactions, etc., and to steadily implement the most important measures in the Medium-term Management Plan mentioned above. In July 2023, we decided to begin the process of selecting an external investor capable of responding to this equity financing, retaining Nagashima Ohno & Tsunematsu as legal advisors and Frontier Management Inc. as financial advisors.

In order to raise capital under the most favorable conditions possible for the Company, we approached a number of financial investors in Japan from July 2023 onwards, including the Scheduled Allottee, through our financial advisor, Frontier Management Inc., asking them to consider investing in the Company and the terms of the investment. After having compared and considered the terms of investment, etc. presented by each financial investor in response to this request, we determined that the proposal by the Scheduled Allottee was the most desirable proposal that most closely matched our capital and funding needs, considering the total amount of investment, terms of investment, and other details, and that the Scheduled Allottee was a trustworthy entity with a considerable track record of having provided funding to listed companies with significant capital and financing needs like our own through the acquisition of class shares similar to these Class Shares. Therefore, in August 2023, the Company decided to enter into discussions with the said Allottee regarding more specific terms of financing. Following that, until September 2023, we continued to discuss the specific terms of financing while undergoing due diligence by the Scheduled Allottee. And in late September 2023, we received a proposal containing the final terms of investment based on the results of the due diligence, etc. In response to the proposal, we considered its contents (the amount of the issuance of the Class Shares and other economic conditions), and continued to negotiate with the Scheduled Allottee to make the terms as advantageous to the Company as possible. As a result, in early October 2023, we came to the conclusion that this Capital Increase Through Third-Party Allotment, through the issuance of the Class Shares to the Scheduled Allottee, was the best option available to us at this time, which matches our capital and funding needs. The Scheduled Allottee is an investor who understands the Company's business objectives and management policies, and also considers the Company to have a high growth potential. In addition, as mentioned above, the Scheduled Allottee has a track record of investing in listed companies through class shares similar to this case, and a track record of supporting investees in past investment projects. The Scheduled Allottee has provided the Company with the advice necessary to achieve the goals listed above and the support necessary to

reinforce governance, and we believe that the Scheduled Allottee is the most suitable partner in improving the Company's corporate value over the medium to long term.

(ii) Reason for selecting the Capital Increase Through Third-Party Allotment

Before deciding to carry out the Capital Increase Through Third-Party Allotment, we compared and considered various financing methods as described below.

First, as described above, the Group had been forced to make large cash payments as settlements etc. related to a series of civil lawsuits, and in light of the current situation, in which the Group's consolidated net assets are expected to be significantly reduced, we thought that it was necessary and appropriate to use equity financing in order to raise capital, rather than resorting to debt financing by borrowing from financial institutions or issuing bonds.

Regarding equity financing methods, we thought that it would be difficult in practice to carry out a public offering of common shares, considering the business environment surrounding the Company, the Company's financial condition and business results, and the performance of the Company's stock price. Furthermore, raising capital through third-party allotment of common shares could be an option if the issue were to be of a sufficient scale and an appropriate allottee could be selected for it, but in reality, no such potential allottees could be found. (Based on such considerations, the Company has also decided to raise capital through third-party allotment of common shares, but this alone will not meet the Company's capital and funding needs, and did not present itself as a reason not to carry out this Capital Increase Through Third-Party Allotment.) In addition, regarding the allotment of stock acquisition rights without contribution (rights offering) that allocates stock acquisition rights to existing shareholders, or regarding the allocation of shares to shareholders, there was no guarantee that shareholders offered such rights would exercise them based on their decisions on stock price trends, etc., nor was it guaranteed that shareholders would be receptive to the allocation of shares.

Therefore, the final amount of funding we could procure remained unknown, and we determined that this was not an appropriate option for us at this time.

On the other hand, with regard to raising capital through third-party allotment using classed shares as in this Capital Increase Through Third-Party Allotment, we thought we would be able to reliably procure the necessary amount if we could secure an appropriate allottee. In addition, depending on how the share classes are designed, we believed it would be possible to carry out equity financing on a large scale while

avoiding rapid dilution, and that this could be the most effective option for the Company.

Therefore, in order to raise capital through third-party allotment using classed shares, the Company, after implementing a process to select external investors capable of responding to this equity financing, we received a proposal regarding this Capital Increase Through Third-Party Allotment from the Scheduled Allottee, as described in (i) above. The Company has compared and considered the contents of the proposals regarding this Capital Increase Through Third-Party Allotment and the terms of investment etc. presented by each of the financial investors who participated in the process of selecting an external investor, but we thought that the proposal by the Scheduled Allottee regarding this Capital Increase Through Third-Party Allotment was the most desirable proposal that most closely matched our capital and funding needs, considering the total amount of investment, terms of investment, and other details. In particular, the total amount of investment proposed regarding this Capital Increase Through Third-Party Allotment exceeded that proposed by other financial investors, and its contents precluded the occurrence of a large-scale dilution immediately after issuance, mindful of the impact that an immediate, rapid, and large-scale dilution could have on our stock price. Such aspects have led us to conclude that this is the best option for the Company at this time, as it is in line with our aim to reliably raise funds and increase capital at an early stage through the implementation of this Capital Increase Through Third-Party Allotment, and to improve our corporate value over the medium to long term by implementing various priority measures outlined in our Medium-term Management Plan using the secured funds.

Please note that both Class Shares come with rights to request acquisition with common shares as consideration, so there is a possibility that dilution may arise in the future. However, the Company entered into an investment agreement (hereinafter referred to as the “Investment Agreement”) with the Scheduled Allottee on October 10, 2023, the date of the Board of Directors’ resolution regarding this Capital Increase Through Third-Party Allotment, and in principle, the Scheduled Allottee cannot exercise the rights to request acquisition with common shares as consideration that is attached to these Class Shares until March 31, 2026, unless any grounds for lifting the restriction on conversion stipulated in the Investment Agreement arise. Regarding Class B shares, even before March 31, 2026, if the Company intends to trigger the acquisition clause for all or part of the Class B shares for monetary consideration (however, regarding the period leading up to March 31, 2025, this is

limited to cases where grounds for lifting the restriction on conversion have arisen), the Scheduled Allottee will have the right to exercise the rights to request acquisition with common shares as consideration regarding Class B shares up to a cumulative total of 3,000 shares, up to the number of shares that the Company desires to acquire. However, such a right can be exercised only if the Company triggers the acquisition clause for Class B shares for monetary consideration at its discretion, and the Scheduled Allottee will not be able to exercise the right at its discretion before March 31, 2026. Therefore, by implementing this Capital Increase Through Third-Party Allotment, the Company will be able to secure some time to improve its corporate value over the medium to long term by implementing various priority measures outlined in our Medium-term Management Plan, which ends in fiscal 2025. In addition, the Company plans to raise ¥15.0 billion through this Capital Increase Through Third-Party Allotment, of which ¥10.0 billion will be raised through Class A shares, and ¥5.0 billion will be raised through Class B shares which have no provisions for preferred dividends, thereby reducing the financial burden associated with the payment of preferred dividends compared to raising the entire amount through Class A shares. Although Class A shares come with provisions for preferred dividends, they are designed to allow for partial redemption at any time after the issue date (limited to redemption in units of 5,000 shares). By proceeding with cash redemption early, the Company aims to avoid dilution due to the exercise of rights to request acquisition with common shares as consideration attached to the Class A shares, and to reduce the financial burden associated with the payment of preferred dividends until redemption. In addition, the Company will utilize the time secured by this Capital Increase Through Third-Party Allotment to accumulate internal reserves through the implementation of various priority measures outlined in our Medium-term Management Plan, in order to carry out cash redemptions of not only Class A shares but also Class B shares as much as possible, thereby avoiding dilution due to the exercise of rights to request acquisition with common shares as consideration.

(2) Rationale pertaining to issuance terms, etc.

(i) Basis for calculating the paid-in amount and specific details

In order to raise capital under the most advantageous conditions for the Company, we have been negotiating with the Scheduled Allottee from July 2023 onwards regarding the terms of this Capital Increase Through Third-Party Allotment, including the details of the Investment Agreement, in light of our dealings with the cases related to violations of competition laws regarding transactions in aluminum electrolytic

capacitors, etc., the extent of the negative impact on our financial condition due to having made large cash payments as settlements, our equity financing needs, the details of our Group's strategy aimed at growth through the implementation of the most important measures in the Medium-term Management Plan, and the current performance of the Company's stock price, among others. In particular, as a result of earnest negotiations regarding, in the case of rights to request acquisition with common shares as consideration, ways to set the acquisition price and the specific details regarding the grounds for lifting the restriction on conversion so that the impact of the dilution on existing shareholders would be lessened as much as possible, and in the case of the acquisition clause for monetary consideration, the level of the redemption premium so that the Company's burden regarding future redemption could be lessened as much as possible, in early October 2023, the Company reached an agreement with the Scheduled Allottee on terms that the Company deemed reasonable, and determined the paid-in amount for both Class A and Class B shares at ¥1,000,000 per share.

In addition to the negotiation process described above and the circumstances in which the Company finds itself, if we comprehensively consider the fact that the Scheduled Allottee will also be exposed to considerable risks through this Capital Increase Through Third-Party Allotment given the limited salability of Class A and Class B shares, we believe such a paid-in amount to be reasonable.

However, as there can be many different ways of thinking about the evaluation of class shares, the Company requested Akasaka International Accounting Co., Ltd. (Address: 1-1-8 Motoakasaka, Minato-ku, Tokyo; Representative: Kenzo Yamamoto) (hereinafter referred to as "Akasaka International Accounting"), a third-party evaluation organization independent from the Company, to calculate the value of Class A and Class B shares, and obtained a value calculation report (hereinafter referred to as the "Value Calculation Report"). Akasaka International Accounting has calculated the fair value for Class A and Class B shares, respectively, applying the Monte Carlo simulation, a common model for calculating the value of stock options, with reference to certain assumptions regarding the Company's actions (triggering the acquisition clause for monetary consideration, etc.) and certain assumptions regarding the Scheduled Allottee's actions (exercising the rights to request acquisition for Class A shares for monetary consideration, and in the event that the Company triggers the acquisition clause for Class B shares, choosing whether to exercise the rights to request acquisition with common shares as consideration or wait for acquisition with cash as consideration, etc.), based on the terms and

conditions attached to Class A and Class B shares as well as certain assumptions (the stock price, volatility, expected dividend, risk-free interest rate, risk premium, acquisition clause, rights to request acquisition, etc. of the Company's common shares). In the Value Calculation Report, the price of Class A shares is approximately ¥988,000 to ¥1,027,000 per share, and the price of Class B shares is approximately ¥973,000 to ¥1,019,000 per share.

As described above, the Company believes that the paid-in amounts for both Class A and Class B shares to be reasonable. However, although it is reasonably possible to conclude that the paid-in amount (¥1,000,000 per share) for both Class A and Class B shares is not particularly advantageous to the Scheduled Allottee under the Companies Act, considering the results of the evaluation etc. in the Value Calculation Report by Akasaka International Accounting described above in addition to the negotiation history and the situation that the Company finds itself in etc. described above, as there is no objective market price for Class A and Class B shares, being unlisted shares, and as there can be many different ways of thinking about their evaluation, the possibility of the paid-in amount (¥1,000,000 per share) being particularly advantageous to the Scheduled Allottee cannot be completely ruled out either. Therefore, as a precaution, we have decided to issue the shares subject to approval by a special resolution of the shareholders' meeting regarding advantageous issuance pursuant to Article 199, Paragraph 2 of the Companies Act at this Extraordinary General Meeting of Shareholders.

- (ii) Basis for determining that the quantity of the issuance and scale of share dilution are reasonable

The Company is set to raise a total of ¥15,000,000,000 by issuing these Class Shares (10,000 Class A shares and 5,000 Class B shares) through this Capital Increase Through Third-Party Allotment, and we believe that the number of Class Shares to be issued is reasonable in light of the purpose of issuing these Class Shares and how the procured funds will be used.

In addition, these Class Shares do not have voting rights at the General Meeting of Shareholders. However, as mentioned above, these Class Shares come with rights to request acquisition with common shares as consideration, and if the rights to request acquisition with common shares as consideration are exercised for all of the Class Shares, the maximum dilution rate due to this Capital Increase Through Third-Party Allotment will be approximately 99.19%. In this way, if the Company's common shares are delivered by the exercising of the rights to request acquisition of these

Class Shares, the Company's common shares will be diluted. However, considering such facts as: (i) This Capital Increase Through Third-Party Allotment will enable the Company, which has a large need for capital and funds, to increase its capital and raise funds, thereby stabilizing its financial position; (ii) The terms of this Capital Increase Through Third-Party Allotment were agreed upon following earnest negotiations with the Scheduled Allottee, which was selected following a selective process of external investors targeting multiple financial investors, and that we believe this to be the best option available to us at this time; (iii) In particular, in this Investment Agreement, it has been agreed that the Scheduled Allottee will, in principle, not exercise the rights to request acquisition of these Class Shares until March 31, 2026 (including that day) unless any grounds for lifting the restriction on conversion arise, enabling us to avoid early dilution of common shares and to secure some time to improve corporate value over the medium to long term by implementing the important measures outlined in the Medium-term Management Plan; (iv) An upper limit has been set for the common share consideration acquisition premium, which is the basis for calculating the number of common shares to be delivered upon the exercise of the rights to request acquisition, and a lower limit has been set for the acquisition price (however, the acquisition price will be adjusted in certain cases.); and (v) These Class Shares come with an acquisition clause for monetary consideration that can be exercised by the Company at any time after the date of issue, and they are designed as to enable the Company, at its discretion, to compulsorily redeem all or part of the Class Shares in cash, thereby reducing the dilution occurring through the exercising of rights to request acquisition with common shares as consideration to a certain extent, which functions as a measure to minimize the impact that dilution may have on existing shareholders; and considering the contributions that this Capital Increase Through Third-Party Allotment will make in improving the Company's corporate value over the medium to long term, we believe that the degree of dilution that may arise for existing shareholders as a result of this Capital Increase Through Third-Party Allotment does not exceed a reasonable limit. Regarding Class B shares, if the Company wishes to trigger the acquisition clause for all or part of the Class B shares for monetary consideration even before March 31, 2026 (however, regarding the period leading up to March 31, 2025, this is limited to cases where grounds for lifting the restriction on conversion have arisen), the Scheduled Allottee will have the right to exercise the rights to request acquisition with common shares as consideration regarding Class B shares up to a cumulative total of 3,000 shares, up to the number of shares that the

Company desires to acquire. Therefore, after April 1, 2025, we cannot completely exclude the possibility of conversion to common shares based solely on our judgment. Also, regarding Class B shares, since the common share consideration acquisition premium, which is the basis for calculating the number of common shares to be delivered upon the exercise of the rights to request acquisition with common shares as consideration, is higher for Class B shares than the common share consideration acquisition premium for Class A shares, there is a possibility that the number of common shares to be delivered will be higher compared to Class A shares on a per-share basis if the rights to request acquisition with common shares as consideration are exercised. In this way, compared to Class A shares, there is a higher possibility of rights to request acquisition with common shares as consideration being exercised for Class B shares, which are designed so that a larger number of common shares may be delivered when such rights to request acquisition with common shares as consideration are exercised. However, considering such facts as: The capital raised from Class B shares is ¥5.0 billion, amounting only to one-third of the total capital raised from these Class Shares (¥15.0 billion in total); furthermore, the above agreement to give priority to the exercising of the rights to request acquisition with common shares as consideration is limited to 3,000 Class B shares, with cash redemption at the Company's discretion given priority for all Class A shares and 2,000 Class B shares; That this is exercisable only when the Company, at its discretion, intends to trigger the acquisition clause for Class B shares for monetary consideration, and the Scheduled Allottee is not able to exercise the rights at its own discretion before March 31, 2026; and also, regarding the level of the common share consideration acquisition premium for Class B shares, Class B shares on the other hand do not come with provisions for preferred dividends and the Company is able to reduce the financial burden associated with paying preferred dividends; the details are drawn up in such a way that they are economically rational for the Company as well; then, even taking into account the salability of Class B shares as described above, we still believe that this Capital Increase Through Third-Party Allotment is the best option available to the Company at this point, and that the degree of dilution that may arise for existing shareholders as a result does not exceed a reasonable limit. As described above, the Company intends to accumulate internal reserves through the implementation of the Medium-term Management Plan, and by acquiring these Class Shares using the acquisition clause for monetary consideration, aims to prevent the effects of dilution through the exercising of rights to request acquisition with common shares as consideration from emerging as much as possible.

2. Details of offering

(1) Type and number of shares offered

10,000 Class A shares

5,000 Class B shares

(2) Paid-in amount for offered shares

(i) Class A shares

¥1,000,000 per share

(ii) Class B shares

¥1,000,000 per share

(3) Total paid-in amount

(i) Class A shares

¥10,000,000,000

(ii) Class B shares

¥5,000,000,000

(4) Increase in capital and capital reserves

(i) Class A shares

Increase in capital ¥5,000,000,000 (¥500,000 per share)

Increase in capital reserves ¥5,000,000,000 (¥500,000 per share)

(ii) Class B shares

Increase in capital ¥2,500,000,000 (¥500,000 per share)

Increase in capital reserves ¥2,500,000,000 (¥500,000 per share)

(5) Payment period

From December 27, 2023 to March 29, 2024, for both Class A and Class B shares

(6) Method of issuance

All Class A and Class B shares will be allocated to Japan Industrial Solutions III Investment Limited Partnership through third-party allotment.

(7) Details of offered shares

Please refer to Proposal No. 2 for details regarding Class A and Class B shares.

Proposal No. 4: Reduction in the Amount of Capital and Capital Reserves (2)

In order to improve our financial position at an early stage and to prepare for a flexible and agile capital policy from now on, we will reduce the amount of capital and capital reserves (2) in conjunction with the issuance of these Class Shares, and transfer it to other capital surplus which constitutes the distributable amount.

The reduction in the amount of capital and capital reserves (2) is subject to the pay-in of the Capital Increase Through Third-Party Allotment, and Proposals 1 to 3 and 5 being approved and resolved as originally proposed.

1. Details of the reduction in the amount of capital and capital reserves

Pursuant to the provisions of Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act, the amount of capital and capital reserves will be reduced, and the respective amounts reduced transferred to other capital surplus.

(i) Reduction in the amount of capital

¥7,500,000,000

(ii) Item and amount of reserves to be reduced

Capital reserves ¥7,500,000,000

(iii) Item and amount of surplus to be increased

Other capital surplus ¥15,000,000,000

2. Date on which the reduction in the amount of capital and capital reserves becomes effective

March 31, 2024

Proposal No. 5: Election of one (1) Director

In order to strengthen the Company's corporate governance system following this Capital Increase Through Third-Party Allotment, we would like to request the election of one (1) candidate for Outside Director nominated by the Scheduled Allottee in accordance with the provisions of the Investment Agreement.

The election of the Director related to this Proposal will take effect subject to the pay-in of the Capital Increase Through Third-Party Allotment, and Proposals No. 1 to No. 4 being approved and resolved as originally proposed.

The candidate for Director is as follows:

Name (Date of Birth)	Brief Personal Profile, Position, Responsibility, and Significant Concurrent Positions	Number of Company Shares Owned
Takashi Komagata (May 6, 1976)	<p>April 1999 Joined The Sumitomo Bank, Limited</p> <p>October 2000 Joined Asahi Arthur Andersen Ltd.</p> <p>November 2002 Joined Nomura Securities Co., Ltd.</p> <p>October 2006 Joined Morgan Stanley Japan Securities Co., Ltd. (currently Morgan Stanley MUFG Securities Co., Ltd.)</p> <p>February 2009 Joined Marunouchi Capital Inc.</p> <p>May 2011 Joined Japan Industrial Solutions Co., Ltd. Director, Japan Industrial Solutions Co., Ltd.</p> <p>January 2015 Managing Director, Japan Industrial Solutions Co., Ltd.</p> <p>December 2019 Member of the Board, Co-Head of Investment Division, Japan Industrial Solutions Co., Ltd. (current)</p> <p>September 2020 External Director, MITSUBA Corporation (current)</p> <p>(Significant concurrent position) Member of the Board, Japan Industrial Solutions Co., Ltd. External Director, MITSUBA Corporation</p>	0
New appointment Outside		
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Takashi Komagata has been involved in operations at major financial institutions and management of investment fund management companies, and has abundant experience, skill and insight in finance and corporate management. With such experience, skill and insight, he is expected to contribute to the Company's Board of Directors' appropriate decision-making and management supervision from a broad perspective, and accordingly the Company requests his appointment as Outside Director. He is also expected to be able to use his experience, skill and insight gained from his career to provide effective and appropriate management supervision, particularly with respect to corporate management.</p>		

Notes:

1. Takashi Komagata concurrently serves as a Member of the Board of Japan Industrial Solutions Co., Ltd., and Japan Industrial Solutions III Investment Limited Partnership, of which Japan Industrial Solutions Co., Ltd. is an unlimited liability partner, has concluded an investment agreement with the Company regarding the issuance and underwriting etc. of Class A and Class B shares.
2. Takashi Komagata is a candidate for Outside Director.
3. If the election of Takashi Komagata is approved, the Company will enter into an agreement with him regarding the limitation of liability in accordance with Article 427, Paragraph 1 of the Companies Act. The amount of his individual liability as Outside Director under this agreement is the minimum amount stipulated in Article 425, Paragraph 1 of the said Act.
4. The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy will cover the legal damages and

dispute costs incurred by the insured under the policy. The full amount of the insurance premiums for all the insureds is borne by the Company. If the election of Takashi Komagata is approved, the Company plans to include him as an insured under the policy and renew the said insurance policy with the above details when it is next renewed.