

[Translation for Reference Purposes Only]

Please note that the following is an unofficial English translation of the Japanese original text of the Notice of Convocation of the Ordinary General Meeting of Shareholders of Nihon Dempa Kogyo Co., Ltd.. NDK provides this translation for reference purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Securities Code: 6779  
June 9, 2022

To Shareholders with Voting Rights

Nihon Dempa Kogyo Co., Ltd.  
47-1, Sasazuka 1-chome, Shibuya-ku, Tokyo  
Representative Director and Chairman of the Board  
Toshiaki Takeuchi

**NOTICE OF CONVOCATION OF  
THE 81st ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Please be advised that the 81st Ordinary General Meeting of Shareholders of Nihon Dempa Kogyo Co., Ltd. (“NDK” or “we”) will be held as set forth below.

After careful consideration of the situation of recent spread of COVID-19 infections, we have decided to hold this Ordinary General Meeting of Shareholders under conditions which implement the appropriate measures to help prevent the spread of infection as same as last year.

With respect to our shareholders, in a further effort to prevent the spread, **we kindly request that you exercise your voting rights in writing or via the Internet, etc. in advance and we respectfully request that you refrain from attending the meeting in person with respect to this Ordinary General Meeting of Shareholders.** Also, please note in advance that you may be refused entry to the meeting room due to implementation of restrictions on admission.

Please refer to the guidance below, and after reading the Reference Documents for the General Meeting of Shareholders contained herein, exercise your voting rights by 5:20 p.m. June 27, 2022 (Monday) (Japan Time).

1. Date and Time 10:00 a.m., June 28, 2022 (Tuesday) (Reception will open at 9:30 a.m.)
2. Place MERKMAL KEIO SASAZUKA 6F, 47-1, Sasazuka 1-chome,  
Shibuya-ku, Tokyo  
(Conference Room of NDK’s Head Office)
3. Matters to be Addressed
  - Matters to be Reported
    - (1) Report on the Business Report for the 81st Fiscal Year (From April 1, 2021 to March 31, 2022), the Consolidated Financial Statements, and the Results of Audit of the Consolidated Financial Statements by the Independent Auditors and the Audit & Supervisory Board
    - (2) Report on the Financial Statements for the 81st Fiscal Year (From April 1, 2021 to March 31, 2022)
  - Matters to be Resolved
    - Proposal No.1: Appropriation of Surplus
    - Proposal No.2: Amendment to the Articles of Incorporation
    - Proposal No.3: Appointment of Accounting Auditor

## [Translation for Reference Purposes Only]

### 4. Guidance concerning Exercise of Voting Rights

- (1) If you exercise the voting rights in writing, please indicate your agreement or disagreement on the enclosed Voting Rights Exercise Form and send it by mail to us so that it reaches us by later than 5:20p.m., June 27 (Monday), 2022. Please note that no indication of agreement or disagreement shall be deemed to be an indication of “agreement”.
- (2) If you exercise the voting rights via the Internet, etc., please refer to the “Guidance concerning Exercise of Voting Rights Via Internet, etc.” on page 3 and exercise your voting rights by no later than 5:20p.m., June 27 (Monday), 2022.
- (3) If we received your exercises of your voting rights in writing and via the Internet, etc., we will only accept the exercise of your voting rights via the Internet, etc. as effective. If you exercise your voting rights more than once via the Internet, etc. or by PC and Smart Phone, we will only accept the last one received by us as effective.
- (4) In the case of exercise your voting rights by proxy, one of the shareholders holding voting rights may attend this general meeting of shareholders as a proxy. Please note that the proxy needs to submit the document certifying the authority of such proxy.

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1. Any corrections made to the Business Report, the consolidated financial statements and the non-consolidated financial statements and the Reference Documents for the General Meeting of Shareholders, shall be announced on our website (<https://www.ndk.com/>)
  2. When you attend the meeting in person, you are requested to present the enclosed Voting Rights Exercise Form at the reception desk and bring this “Notice of Convocation” to the meeting as the reference material.
  3. Please note that any person not a shareholder including a proxy or a companion is not permitted to attend the General Meeting of Shareholders.
  4. Thank you for your understanding that we have ceased distribution of gifts to shareholders since last year.
  5. Please note that eating, drinking, smoking, photography, video recording and audio recording are prohibited.
  6. **We will not hold the supplementary briefing meeting, which was previously held after the ordinary general meeting of shareholders.** Thank you for your understanding.

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**REFERENCE DOCUMENTS  
FOR THE GENERAL MEETING OF SHAREHOLDERS**

**Proposals and Reference Matters**

**Proposal 1: Appropriation of Surplus**

The appropriation of surplus is proposed as indicated below.

<The year-end dividend>

Taking into account the results for this fiscal year and the future business environment, the year-end dividend for FY 2021 is proposed as indicated below.

1. Type of dividend property

Cash

2. Matter concerning allotment of dividend property to shareholders and its total amount

¥5.00 per Common Share of Nihon Dempa Kogyo Co., Ltd.(NDK)

¥19,283.7464 per Class A Share of NDK in accordance with provisions of the Articles of Incorporation of NDK

For a total of ¥194,539,232 (Common Share:¥98,120,500, Class A Share:¥96,418,732)

3. Effective date of dividend of surplus

June 29, 2022 (Wednesday)

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### **Proposal 2: Amendment to the Articles of Incorporation**

#### 1. Reasons for amendment

(1) The Board of Directors of NDK, at its meeting held on 29<sup>th</sup> March 2022, passed a resolution to acquire all of the Class A Shares issued by NDK (total amount of issue price: 5 billion yen) in exchange for cash from Japan Industrial Solutions Fund II in accordance with the provision of Article 6-2, Paragraph 6 of NDK's Articles of Incorporation (call options, the consideration for which is cash) and cancel the shares on condition of the acquisition thereof in accordance with the provision of Article 178 of the Companies Act. In accordance with such resolution NDK conducted such acquisition and cancelation as of 26<sup>th</sup> May 2022. Accordingly, we will delete the relevant provisions regarding the Class A Shares in the Articles of Incorporation.

(2) The date of enforcement of the system of electronic provision of materials for the General Meeting of Shareholders as stipulated in the provision to Article 1 of the Supplementary Provisions of the "Law Partially Amending the Company Law" (Law No. 70 of 2022) is September 1<sup>st</sup> 2022. The new law will provide that the scope of matters to be included in the document to be delivered to shareholders who have requested the delivery of the document may be limited. In addition, the current provisions on internet disclosure of reference documents for the General Meeting of Shareholders and deemed provision of such documents will be deleted as they are no longer necessary, and supplementary provisions on the effective date of such changes, etc. will also be added.

#### 2. Contents of Amendments to the Articles of Incorporation

See APPENDIX.

**[Translation for Reference Purposes Only]**

**Proposal 3: Appointment of Accounting Auditor**

KPMG AZSA LLC, Accounting Auditor of NDK, will retire from its position at the conclusion of the Meeting due to the expiration of its term of office. Accordingly, NDK proposes the election of a new Accounting Auditor based on the decision of Audit & Supervisory Board of NDK.

Audit & Supervisory Board of NDK has appointed Grant Thornton Taiyo LLC as a candidate for Accounting Auditor because Audit & Supervisory Board of NDK has considered the professional capabilities, independence, quality control system, audit fees, and other factors required of an Accounting Auditor, and has determined that the firm is suitable as the Company’s Accounting Auditor.

The candidate for Accounting Auditor is as follows:

(As of March 31, 2022)

Name	Grant Thornton Taiyo LLC		
Main office	1-2-7 Motoakasaka, Minato-ku, Tokyo, Japan		
History	Sep. 1971: Established Taiyo Audit Corporation Oct. 1994: Joined Grant Thornton International Ltd Jan. 2006: Taiyo Audit Corporation merged with ASG Audit Corporation and changed its name to Grant Thornton Taiyo ASG Audit Corporation Jul. 2012: Merged with Eisho Audit Corporation Oct. 2013: Merged with Kasumigaseki Audit Corporation Oct. 2014: Changed name to Grant Thornton Taiyo LLC Jul. 2018: Merged with YUSEI Audit & Co.		
Summary	Personnel type:	Representative partners / partners	88persons
		Specified partners	4persons
		Certified public accountants	304persons
		Passers of certified public accountant exam, etc.	246persons
		Other professionals	181persons
		Administrative staff	89persons
		Contract workers	224persons
		Total	1,136persons
	Number of Clients:		1,035companies

(Note) If the appointment of Grant Thornton Taiyo LLC is approved, NDK will enter into an agreement with Grant Thornton Taiyo LLC to limit its liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the said Act. The maximum amount of liability for damages under the agreement will be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

**[Translation for Reference Purposes Only]**

**APPENDIX**

(Underlined portions are to be amended.)

Current Articles of Incorporation	Proposed amendment
Chapter I General Provisions	Chapter I General Provisions
Articles 1 to 5 <Omitted>	Articles 1 to 5 <As Present>
Chapter II Shares	Chapter II Shares
Article 6 Total Number of Authorized Shares The total number of shares that can be authorized for issue by the Company shall be 50,000,000 <u>and the total number of class shares that can be authorized for issue by the Company shall be as follows.</u> <u>Common shares: 50,000,000 shares</u> <u>Class A Shares: 5,000 shares</u>	Article 6 Total Number of Authorized Shares The total number of shares that can be authorized for issue by the Company shall be 50,000,000.

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<p><u>Article 6.2 Class A Shares</u></p> <p><u>1. The contents of the Class A Shares issued by the Company shall be set forth in the following paragraph to Paragraph 7.</u></p> <p><u>2. Dividends of Surplus</u></p> <p><u>If the Company is to distribute dividends out of surplus to the holders of the common shares (the “Common Shareholders”) or the registered pledgees of the common shares (together with the Common Shareholders, the “Common Shareholders/Pledgees”), the Company shall make pecuniary distribution to the holders of the Class A Shares (the “Class A Shareholders”) or the registered pledgees of the Class A Shares (together with the Class A Shareholders, the “Class A Shareholders/Pledgees”) entered or recorded in the latest shareholders’ register as at the record date for the distribution of the relevant dividends (the “Dividend Record Date”) in the amount per Class A Share, pari passu with common shareholders, equivalent to the amount obtained by multiplying (i) the amount of the dividends per a common share by (ii) the amount obtained by dividing (a) the amount obtained by multiplying 1,000,000 yen (the “Amount Equivalent to Paid-in Amount per Class A Share”) by 1.40 by (b) the acquisition price set forth in Paragraph 5, Items (3) and (4) of this article as of the Dividend Record Date (the “Class A Dividend Amount”). If the amount obtained by multiplying the Class A Dividend Amount by the number of Class A Shares to which each Class A Shareholder/Pledgee is entitled includes any fraction less than one (1) yen, such fraction shall be rounded down.</u></p>	<p>(Deleted)</p>

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<p><u>3. Distribution of Residual Assets</u></p> <p><u>(1) Distribution of Residual Assets</u></p> <p><u>If the Company distributes its residual assets, the Company shall pay to each Class A Shareholder/Pledgee the amount per Class A Share obtained by multiplying the Amount Equivalent to Paid-in Amount per Class A Share by the Redemption Factor set forth in Paragraph 6 of this article per Class A Share (the “Class A Residual Assets Distribution Amount”) in cash prior to the Common Shareholders/Pledges. In addition, in this paragraph, the Redemption Factor is to be calculated by replacing the “Date of Redemption for Money” in the calculation of the Redemption Factor with the “Residual Assets Distribution Date.” If the amount obtained by multiplying the Class A Residual Assets Distribution Amount by the number of the Class A Shares to which each Class A Shareholder/Pledgee is entitled includes any fraction less than one (1) yen, such fraction shall be rounded down.</u></p> <p><u>(2) Non-participation Clause</u></p> <p><u>The Company shall not make distribution of residual assets to the Class A Shareholders/Pledges other than as provided for in the immediately preceding item.</u></p>	<p>(Deleted)</p>



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<p data-bbox="193 344 400 376"><u>4. Voting Rights</u></p> <p data-bbox="240 394 786 519"><u>Unless otherwise provided for by law, the Class A Shareholders shall not be entitled to vote at general meetings of shareholders.</u></p> <p data-bbox="193 537 786 613"><u>5. Right to Request Acquisition in Exchange for Common Shares</u></p> <p data-bbox="221 631 786 707"><u>(1) Right to Request Acquisition in Exchange for Common Shares</u></p> <p data-bbox="280 725 786 1473"><u>On or after August 1, 2020, each Class A Shareholder may at any time request the Company to acquire, in exchange for the delivery of such number of common shares as specified in the following item (the “Common Shares subject to Request”), all or part of the Class A Shares held by that Class A Shareholder (the “Request for Acquisition in Exchange for Common Shares”), and the Company shall deliver the Common Shares subject to Request to the relevant Class A Shareholder in exchange for the acquisition of the Class A Shares to which the relevant Request for Acquisition in Exchange for Common Shares is related, to the extent permitted by laws and regulations.</u></p>	<p data-bbox="1066 344 1174 376">(Deleted)</p>

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Current Articles of Incorporation	Proposed amendment
<p><u>(2) Number of Common Shares Delivered in Exchange for Acquisition of Class A Shares</u>  <u>The number of common shares delivered in exchange for the acquisition of the Class A Shares shall be the number obtained by dividing the amount obtained by multiplying (a) the amount obtained by multiplying the Amount Equivalent to Paid-in Amount per Class A Share by 1.40 by (b) the number of the Class A Shares concerning the Request for Acquisition in Exchange for Common Shares, by the acquisition price set forth in Items (3) and (4) of this paragraph below. If the total number of common shares delivered in exchange for the acquisition of the Class A Shares to which the Request for Acquisition in Exchange for Common Shares is related includes any fraction less than one (1) share, such fraction shall be rounded down. In such case, the Company shall not make the delivery of money as provided for in Article 167, Paragraph 3 of the Companies Act.</u></p> <p><u>(3) Initial Acquisition Price</u>  <u>363 yen</u></p>	<p>(Deleted)</p>

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Current Articles of Incorporation	Proposed amendment
<p><u>(4) Adjustment of Acquisition Price</u></p> <p><u>(a) Upon the occurrence of any of the events listed below, the acquisition price shall be adjusted as follows:</u></p> <p><u>(i) If the Company is to implement a share split of its common shares or gratis allotment of its common shares, the acquisition price shall be adjusted in accordance with the formula below. In the case of a gratis allotment of shares, “Number of issued common shares before split” and “Number of issued common shares after split” in the formula below shall be respectively deemed to be replaced with “Number of issued common shares before gratis allotment (excluding the common shares then held by the Company)” and “Number of issued common shares after gratis allotment (excluding the common shares then held by the Company).</u></p> $  \begin{array}{r}  \text{Number of} \\  \text{issued common} \\  \text{shares before} \\  \text{split} \\  \times \\  \text{Number of} \\  \text{issued common} \\  \text{shares after split} \\  \hline  \text{Acquisition price after adjustment} = \text{Acquisition price before adjustment}  \end{array}  $	<p>(Deleted)</p>

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<p><u>The acquisition price after adjustment shall apply as from the day following the record date for the share split or as from the effective date of the gratis allotment of shares (or if the record date for the gratis allotment has been set, as from the day following such record date), as the case may be.</u></p> <p><u>(ii) If the Company consolidates its common shares, the acquisition price shall be adjusted in accordance with the formula below.</u></p> $\frac{\text{Acquisition price after adjustment}}{\text{Acquisition price before adjustment}} = \frac{\text{Acquisition price before adjustment}}{\text{Acquisition price after adjustment}} \times \frac{\text{Number of issued common shares before consolidation}}{\text{Number of issued common shares after consolidation}}$ <p><u>The acquisition price after adjustment shall apply as from the effective date of the consolidation of shares.</u></p>	<p>(Deleted)</p>

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Current Articles of Incorporation	Proposed amendment
<p><u>(iii) If the Company issues common shares or disposes of any of the common shares held by the Company at a paid-in amount below the market value per common share as specified in (d) of this item (excluding by way of gratis allotment of shares, acquisition of shares or stock acquisition rights (including those attached to bonds with stock acquisition rights; hereafter the same in this item) in exchange for the delivery of common shares, exercise of stock acquisition rights to acquire common shares, or delivery of common shares by virtue of merger, share exchange (<i>kabushiki kokan</i>) or demerger), the acquisition price shall be adjusted in accordance with the formula below (the “Acquisition Price Adjustment Formula”). If any property other than money is contributed, “Paid-in amount per share” in the Acquisition Price Adjustment Formula shall be the appropriately appraised value of such property.</u></p>	<p>(Deleted)</p>

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<p><u>The acquisition price after adjustment shall apply as from the day following the payment date (or if a payment period has been set, the last day of such payment period), or if a record date for the allotment to shareholders has been set, as from the day following such record date (the “Shareholder Allotment Date”), as the case may be. If the Company is to dispose of any of the common shares held by it, “Number of newly issued common shares” and “Number of common shares held by the Company” in the formula below shall be respectively deemed to be replaced with “The number of common shares held by the Company to be disposed of” and “The number of common shares held by the Company before the disposition.”</u></p>		<p>(Deleted)</p>	
<p><u>Acquisition price after adjustment</u></p>	<p><u>Acquisition price before adjustment</u></p>	<p><u>(Number of issued common shares - Number of common shares held by the Company)</u></p>	<p><u>Number of newly issued common shares</u></p>
<p>≡</p>	<p>×</p>	<p>+ Market value per common share</p>	<p>±</p>
		<p>(Number of issued common shares- Number of common shares held by the Company) ± Number of newly issued common shares</p>	

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Current Articles of Incorporation	Proposed amendment
<p><u>(iv) If the Company makes an issuance or disposal of shares (including gratis allotment of shares) which entitles the holders thereof to receive, by having or letting the Company acquire such shares, the delivery of common shares at an acquisition price per common share below the market value per common share as set forth in (d) of this item, the acquisition price after adjustment shall be the amount calculated by causing “Paid-in amount per share” in the Acquisition Price Adjustment Formula to be substituted by the amount determined by deeming that all of the shares issued or disposed of have been acquired in accordance with the initial terms and conditions and common shares have been delivered on the payment date for such shares (if a payment period has been set, on the last day of such payment period; hereafter the same in this (iv)), or on the effective date of gratis allotment of shares (or if a record date for gratis allotment of shares has been set, on such record date; hereafter the same in this (iv)), or on the Shareholder Allotment Date, if any, as the case may be.</u></p>	<p>(Deleted)</p>

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<p><u>The acquisition price after adjustment shall apply as from the day following the payment date, or as from the day following the effective date of gratis allotment of shares, of as from the day following the Shareholder Allotment Date, if any, as the case may be. Notwithstanding the foregoing, if the consideration for the common shares delivered upon the acquisition has not been determined at the above-mentioned time point, the acquisition price after adjustment shall be calculated by deeming that at the time of determination of such consideration, all of the shares issued or disposed of will have been acquired in accordance with the terms and conditions as of the time of determination of such consideration and common shares will have been delivered, and such acquisition price after adjustment shall apply as from the day following the date on which such consideration has been determined.</u></p>	<p>(Deleted)</p>



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<p><u>(v) If the Company makes an issuance of stock acquisition rights (including gratis allotment of stock acquisition rights) which entitles the holders thereof to receive, by exercising or having the Company acquire such stock acquisition rights, to receive the delivery of common shares at a price wherein the sum of the paid-in amount of such stock acquisition right per common share and the amount per common share of the property contributed upon the exercise of such stock acquisition rights (if any property other than money is contributed, the appropriately appraised value of such property; hereafter the same in this (v)) is less than the market value per common share as set forth in (d) of this item, the acquisition price after adjustment shall be the amount calculated by causing “Paid-in amount per share” in the Acquisition Price Adjustment Formula to be substituted by the sum of the paid-in amount of stock acquisition right per common share and the amount per common share of the property contributed upon the exercise of stock acquisition rights,</u></p>	<p>(Deleted)</p>

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<p><u>deeming that all of the stock acquisition rights issued have been exercised or acquired in accordance with the initial terms and conditions and common shares have been delivered on the allotment date of such stock acquisition rights, on the effective date of gratis allotment of stock acquisition rights (or if a record date for gratis allotment of stock acquisition rights has been set, on such record date; hereafter the same in this (v)), or on the Shareholder Allotment Date, if any, as the case may be. The acquisition price after adjustment shall apply as from the day following the allotment date of such stock acquisition rights, as from the day following the effective date of the gratis allotment of stock acquisition rights, or as from the day following the Shareholder Allotment Date, if any, as the case may be.</u></p>	<p>(Deleted)</p>

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<p><u>Notwithstanding the foregoing, if the consideration for the common shares delivered upon the acquisition or exercise has not been determined at the above-mentioned time point, the acquisition price after adjustment shall be calculated by deeming that at the time of determination of such consideration, all of the stock acquisition rights issued will have been exercised or acquired in accordance with the terms and conditions as of the time of determination of such consideration and common shares will have been delivered, and such acquisition price after adjustment shall apply as from the day following the date on which such consideration has been determined. Provided, however, that the adjustment of the acquisition price under this (v) shall not apply to any stock acquisition rights to acquire common shares that are issued for the purpose of granting stock options to any of the directors, statutory auditors (<i>kansayaku</i>), executive officers (<i>shikkoyaku</i>) or other officers or employees of the Company or any subsidiary of the Company.</u></p>	<p>(Deleted)</p>

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<p><u>(b) In addition to the events set forth in (a) of this item, if there is any circumstance falling under any of (i) through (iii) below, the Company shall submit to the Class A Shareholders/Pledgees a prior written notification to that effect, stating the acquisition price after adjustment, the date of application and any other necessary matters, and shall appropriately adjust the acquisition price.</u></p> <p><u>(i) If an adjustment of the acquisition price is required for a merger, share exchange (<i>kabushiki kokan</i>), acquisition of all issued shares in another stock company (<i>kabushiki kaisha</i>) by way of share exchange (<i>kabushiki kokan</i>), share transfer (<i>kabushiki iten</i>), absorption-type demerger (<i>kyushu bunkatsu</i>), succession of all or part of the rights and obligations held by another company in relation to its business by way of absorption-type demerger (<i>kyushu bunkatsu</i>) or incorporation-type demerger (<i>shinsetsu bunkatsu</i>);</u></p>	<p>(Deleted)</p>

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<p><u>(ii) Where two (2) or more events requiring adjustment of the acquisition price have occurred in succession, if the determination of the market value to be used in the calculation of the acquisition price after adjustment for one of the events needs to take into consideration the effects of the other event(s); or</u></p> <p><u>(iii) If an adjustment of the acquisition price is otherwise required owing to a change in the number of issued common shares (excluding the number of common shares held by the Company) or the occurrence of any event which may result in such a change.</u></p> <p><u>(c) In the calculations needed for an adjustment of the acquisition price, the price shall be calculated to the second decimal place below one (1) yen and rounded to the first decimal place.</u></p>	<p>(Deleted)</p>

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<p><u>(d) The market value per common share as used in the Acquisition Price Adjustment Formula shall be the average value (calculated to the second decimal place below one (1) yen and rounded to the first decimal place; hereinafter the same) of the Volume Weighted Average Price (the “VWAP”) in ordinary trading of the Company’s common shares published by Tokyo Stock Exchange, Inc. (the “TSE”) over 30 consecutive Trading Days prior to the day from which the acquisition price after adjustment applies (or if any event requiring an adjustment of the acquisition price is published through the company announcements disclosure service provided by the TSE, the date of such publication). “Trading Day” means a day on which ordinary trade in the Company’s common shares is conducted on the TSE, and it does not include days where there is no VWAP announcement.</u></p>	<p>(Deleted)</p>

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<p><u>(e) If the difference between the acquisition price after adjustment and the acquisition price before adjustment as calculated for the purpose of adjustment of the acquisition price is less than 0.1 yen, the acquisition price shall not be adjusted. Provided, however, that any adjustment deemed unnecessary under this (e) shall be carried over and taken into account in the subsequent calculations for the adjustment.</u></p> <p><u>(5) Place for Acceptance of Request for Acquisition in Exchange for Common Shares</u></p> <p><u>The shareholders register administrator's office for handling of related affairs:</u></p> <p><u>4-1 Marunouchi 1-chome, Chiyoda-Ku, Tokyo</u></p> <p><u>Sumitomo Mitsui Trust Bank, Limited,</u></p> <p><u>Stock Transfer Agency Business Planning Department</u></p>	<p>(Deleted)</p>

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<p><u>(6) Effectuation of Request for Acquisition in Exchange for Common Shares</u></p> <p><u>A Request for Acquisition in Exchange for Common Shares shall come into effect at the later of (i) the time when the documents necessary for the Request for Acquisition in Exchange for Common Shares reach the place for acceptance of the Request for Acquisition in Exchange for Common Shares as stated in the immediately preceding item or (ii) the intended effective date as stated in the above-mentioned documents.</u></p> <p><u>(7) Method of Delivery of Common Shares</u></p> <p><u>After the effectuation of the Request for Acquisition in Exchange for Common Shares, the Company shall deliver common shares to each Class A Shareholder which has made the Request for Acquisition in Exchange for Common Shares by recording an increase in the number of the book-entry transfer shares in the “Shares Held” section of the transfer account book managed by Japan Securities Depository Center, Incorporated or of any account management institution designated by the relevant Class A Shareholder.</u></p>	<p>(Deleted)</p>



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(Underlined portions are to be amended.)

Current Articles of Incorporation	Proposed amendment
<p><u>6. Call Option for Money</u></p> <p><u>At any time on or after August 1, 2020, upon the arrival of the date separately specified by the Board of Directors of the Company (the “Date of Redemption for Money”), the Company may acquire all or part of the Class A Shares in exchange for money by giving written notice (which shall be irrevocable) to the Class A Shareholders/Pledgees at least 10 days prior to the Date of Redemption for Money (the “Notice Date”), to the extent permitted by laws and regulations (provided, however, that partial acquisitions may be made only in increments of 1,000 shares) (the “Redemption for Money”), and the Company shall, in exchange for the acquisition of the Class A Shares subject to the relevant Redemption for Money, deliver to the Class A Shareholders the amount of money calculated by multiplying (i) the amount obtained by multiplying the Amount Equivalent to Paid-in Amount per Class A Share by the following redemption factors by (ii) the number of the Class A Shares in respect of the Redemption for Money (provided, however, if the Date of Redemption for Money is after July 1, 2023,</u></p>	<p>(Deleted)</p>

**[Translation for Reference Purposes Only]**

**APPENDIX**

(Underlined portions are to be amended.)

Current Articles of Incorporation	Proposed amendment
<p><u>(i) the aforementioned amount or (ii) the amount obtained by multiplying (a) the total amount of common shares distributed in exchange for the acquisition of the relevant Class A Shares calculated by deeming that the Request for Acquisition in Exchange for Common Shares is conducted as of the notice date with respect to the Class A Shares in respect of the relevant Redemption for Money by (b) the closing price of common shares of the Company at the TSE (if there is no closing price on the same day, the closing price on the immediately preceding day) on the date prior to the Notice Date, whichever the higher). If the money delivered in exchange for the acquisition of the Class A Shares subject to the Redemption for Money includes any fraction less than one (1) yen, such fraction shall be rounded down.</u></p> <p><u>In the case of a partial acquisition of the Class A Shares, the number of Class A Shares to be acquired from each Class A Shareholder shall be determined on a pro rata basis or by any other reasonable method specified by the Board of Directors of the Company.</u></p> <p><u>“Redemption Factor” means the rate corresponding to the relevant category set forth in (i) through (vi) below according to whether the Date of Redemption for Money falls within any of the periods listed (i) through (vi) below:</u></p>	<p>(Deleted)</p>

**[Translation for Reference Purposes Only]**

**APPENDIX**

(Underlined portions are to be amended.)

Current Articles of Incorporation	Proposed amendment
<p><u>“Redemption Factor” means the rate corresponding to the relevant category set forth in (i) through (vi) below according to whether the Date of Redemption for Money falls within any of the periods listed (i) through (vi) below:</u></p> <p><u>(i) From August 1, 2020 to June 30, 2021 : 1.13</u></p> <p><u>(ii) From July 1, 2021 to June 30, 2022 : 1.25</u></p> <p><u>(iii) From July 1, 2022 to June 30, 2023 : 1.38</u></p> <p><u>(iv) From July 1, 2023 to June 30, 2024 : 1.52</u></p> <p><u>(v) From July 1, 2024 to June 30, 2025 : 1.68</u></p> <p><u>(vi) From July 1, 2025 : 1.85</u></p> <p><u>7. Consolidation or Split of Shares; Allotment of Shares for Subscription</u></p> <p><u>(1) The Company shall not split or consolidate the Class A Shares.</u></p> <p><u>(2) The Company shall not grant the Class A Shareholders rights for allotment of shares for subscription or rights for allotment of stock acquisition rights for subscription.</u></p> <p><u>(3) The Company shall not make a gratis allotment of shares or gratis allotment of stock acquisition rights to the Class A Shareholders.</u></p>	<p>(Deleted)</p>

**[Translation for Reference Purposes Only]**

**APPENDIX**

(Underlined portions are to be amended.)

Current Articles of Incorporation	Proposed amendment
Article 7 <Omitted>	Article 7 <As Present>
<p>Article 8 Number of Shares per Unit-Base</p> <p>One hundred (100) shares shall constitute one (1) unit-base <u>of common shares of the Company and one (1) share shall constitute one (1) unit-base of Class A Shares of the Company</u> for all purposes of transaction.</p>	<p>Article 8 Number of Shares per Unit-Base</p> <p>One hundred (100) shares shall constitute one (1) unit-base for all purposes of transaction.</p>
Articles 9 to 13 <Omitted>	Articles 9 to 13 <As Present>
<p style="text-align: center;">Chapter III Meeting of Shareholders</p>	<p style="text-align: center;">Chapter III Meeting of Shareholders</p>
Articles 14 to 18 <Omitted>	Articles 14 to 18 <As Present>
<p><u>Article 19 Disclosure of reference documents for the General Meeting of Shareholders through Internet and deemed provision of the reference documents for the General Meeting of Shareholders</u></p> <p><u>It may, when convening a general meeting of shareholders, be deemed that the Company has provided the shareholders with the information regarding the reference documents for the general meeting of shareholders, the business report, the financial statements and the consolidated financial statements to shareholders by disclosing it by means of the Internet in accordance with the provisions of the Ordinance of the Ministry of Justice.</u></p>	<p style="text-align: center;">(Delated)</p>

[Translation for Reference Purposes Only]

APPENDIX

(Underlined portions are to be amended.)

Current Articles of Incorporation	Proposed amendment
<p>(New)</p>	<p><u>Article 19 Electronic provision of information, etc.</u></p> <p><u>1 The Company shall, when convening a general meeting of shareholders, take measures to electronically provide information on the contents of the reference documents for the general meeting of shareholders, etc.</u></p> <p><u>2 The Company may, among the matters to be provided electronically, exclude all or part of the matters provided by the Ministry of Justice Ordinance from the documents to be delivered to shareholders who have made a request for the delivery of documents by the record date of the voting rights.</u></p>
<p><u>Article 19-2 Meeting of Class Shareholders</u></p> <p><u>1 Provision under Article 13 shall be applied to a meeting of class shareholders held on the same day as an ordinary general meeting of shareholders.</u></p> <p><u>2 Provisions under Articles 15, 17 and 19 shall be applied mutatis mutandis to a meeting of class shareholders</u></p> <p><u>3 Provision under Article 16.1 and provision under Article 16.2 shall respectively be applied mutatis mutandis to the resolutions at a meeting of class shareholders as set forth in Article 324, Paragraph 1 of the Companies Act and the resolutions at a meeting of class shareholders as set forth in Article 324, Paragraph 2 of the Companies Act.</u></p>	<p>(Deleted)</p>
<p>Articles 20 to 48 &lt;Omitted&gt;</p>	<p>Articles 20 to 48 &lt;As Present&gt;</p>

**[Translation for Reference Purposes Only]**

**APPENDIX**

(Underlined portions are to be amended.)

Current Articles of Incorporation	Proposed amendment
(New)	<p>(Supplementary Provisions)</p> <ol style="list-style-type: none"> <li>1. Deletion of Article 19 (Disclosure of reference documents for the General Meeting of Shareholders through Internet and deemed provision of the reference documents for the General Meeting of Shareholders ) of the current Articles of Association and the establishment of Article 19 (Electronic Provision of Reference Documents, etc.) of the proposed amendments are effective as of the date of enforcement of the amended provisions stipulated in the provision to Article 1 of the Supplementary Provisions of the Law Partially Amending the Companies Act (Law No. 70 of 2019).</li> <li>2. Notwithstanding the provisions of the preceding paragraph, Article 19 of the present Articles of Association shall remain in force with regard to a general shareholders meetings to be held a date within six months of the effective date.</li> <li>3. The Supplementary Provisions shall be deleted after six months have elapsed from the effective date or three months have elapsed from the date of the General Meeting of Shareholders referred to in the preceding paragraph, whichever is later.</li> </ol>