

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 3167

June 7, 2021

To our shareholders:

Katsuhiko Tokita
President & CEO
TOKAI Holdings Corporation
2-6-8 Tokiwa-cho, Aoi-ku, Shizuoka City, Shizuoka
Prefecture, Japan

NOTICE OF THE 10TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 10th Ordinary General Meeting of Shareholders of TOKAI Holdings Corporation (the “Company”), which will be held as described below.

Please note that if you are unable to attend on the day itself, you can exercise your voting rights using any of the following methods. We would ask that you examine the Reference Documents for the General Meeting of Shareholders and vote before the close of the Company’s business day (5:45 p.m.) on Thursday, June 24, 2021 (JST).

Guidance on the Exercising of Voting Rights

[For persons exercising voting rights in writing]

Please indicate your approval or disapproval of the proposals on the enclosed voting form, and return it so that it arrives no later than 5:45 p.m. on Thursday, June 24, 2021 (JST).

[For persons exercising voting rights via the Internet, etc.]

Please access the voting website (<https://www.web54.net>), and enter your approval or disapproval of the proposals no later than 5:45 p.m. on Thursday, June 24, 2021 (JST).

1. Date and Time: Friday, June 25, 2021 at 10:00 a.m. (JST) (Reception will begin at 9:00 a.m.)

2. Place: Aoi Tower GRANDAIR, Bouquet TOKAI “Symphony” on the fourth floor
17-1 Kouyamachi, Aoi-ku, Shizuoka City, Shizuoka Prefecture, Japan

3. Agenda:

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 10th Term (from April 1, 2020 to March 31, 2021), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 10th Term (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

- Proposal 1:** Distribution of dividends of surplus
- Proposal 2:** Election of nine (9) Directors
- Proposal 3:** Authorization for the Board of Directors of the Company to determine offering terms for share acquisition rights as stock options

1. If it becomes necessary to revise the Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements, or Reference Documents for the General Meeting of Shareholders, the revised information will be posted to our corporate website (<https://www.tokaiholdings.co.jp/ir/>).
2. If attending in person, please bring your voting form with you and present it at the reception.
3. Of the materials the Company must provide along with this Notice, Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements are provided on the Company website (<https://www.tokaiholdings.co.jp/ir/library/meeting.html>) based on laws and regulations and in accordance with the provisions of Article 16 of the Company’s Articles of Incorporation, and are therefore omitted from the supplemental materials in this Notice.

The Consolidated Financial Statements and Non-Consolidated Financial Statements provided as attachments to this Notice constitute portions of the consolidated financial statements and non-consolidated financial statements audited by the Accounting Auditor and Audit & Supervisory Board Members in the course of preparing the audit report.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Distribution of dividends of surplus

Matters related to year-end dividends

Taking into account earnings and economic conditions and from the standpoint of paying continuous dividends to shareholders, the Company wishes to pay the year-end dividend for the fiscal year under review as follows.

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
16 yen per common share of the Company. Total amount of dividends: 2,101,727,072 yen
- (3) Effective date of distribution of dividends of surplus
June 28, 2021

Proposal 2: Election of nine (9) Directors

The terms of office of all ten (10) Directors expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the election of nine (9) Directors, comprising of the reelection of seven (7) Directors and the new election of two (2) Directors.

The candidates for Directors are as follows:

No.	Name	Current position and responsibilities in the Company	Attributes
1	Katsuhiko Tokita	Representative Director, President and CEO	Reelection
2	Toshinori Nakamura	Director, Senior Operating Officer and General Manager of Corporate Management Division	Reelection
3	Junichi Yamada	Senior Operating Officer and General Manager of Administration Headquarters	New election
4	Katsuo Oguri	Director	Reelection
5	Yasuhiro Fukuda	Director	Reelection
6	Mitsuhaya Suzuki	Director	Reelection
7	Masahiro Sone	Director	Reelection Outside Independent
8	Masahiro Goto	Director	Reelection Outside Independent
9	Nobuko Kawashima		New election Outside Independent

New election: New candidate for Director

Reelection: Candidate for reelection as Director

Outside: Candidate for Outside Director

Independent: Independent officer as provided for by the Tokyo Stock Exchange

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p>Katsuhiko Tokita (April 6, 1945)</p> <p>Reelection Tenure as Director 10 years and 3 months Attendance at meetings of the Board of Directors 12/12 (100%)</p>	<p>Apr. 1968 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>June 1992 Director of General Coordination Division, Director-General's Secretariat, Agency for Natural Resources and Energy</p> <p>July 1993 Vice-Governor of Kyoto Prefecture</p> <p>July 1996 Director-General of Bureau of Equipment of Defense Agency</p> <p>June 1998 Director-General of Small and Medium Enterprise Agency</p> <p>Sept. 1999 Member of the Board of Japan National Oil Corporation</p> <p>Sept. 2002 Adviser of TOKAI CORPORATION</p> <p>June 2003 Representative Director and Vice President of TOKAI CORPORATION</p> <p>June 2005 Representative Director and President of TOKAI CORPORATION</p> <p>June 2008 Representative Director and Vice Chairman of TOKAI CORPORATION</p> <p>Oct. 2009 Representative Director, Chairman and CEO of TOKAI CORPORATION</p> <p>Apr. 2011 Representative Director, President and CEO of the Company (present position)</p> <p>Apr. 2011 Representative Director and President of TOKAI Communications Corporation</p> <p>June 2011 Representative Director and Chairman of TOKAI CORPORATION</p> <p>Apr. 2012 Representative Director and President of TOKAI CORPORATION</p> <p>Apr. 2012 Representative Director and Chairman of TOKAI Cable Network Corporation (present position)</p> <p>Apr. 2012 Chairman of TOKAI (Shanghai) Trade & Commerce Co., Ltd.</p> <p>Apr. 2013 Representative Director and Chairman of TOKAI GAS CORPORATION (present position)</p> <p>Oct. 2013 Representative Director and Chairman of TOKAI Management Service Corporation (present position)</p> <p>Apr. 2016 Representative Director and Chairman of TOKAI CORPORATION (present position)</p> <p>Apr. 2018 Representative Director and Chairman of TOKAI Communications Corporation (present position)</p> <p>Apr. 2021 Representative Director and Chairman of TOKAI Venture Capital & Incubation Corporation (present position)</p>	370,030
<p>Reasons, etc. for nomination as candidate for Director</p> <p>Katsuhiko Tokita has served as Chief Executive Officer (CEO) of TOKAI CORPORATION since October 2009 and as Representative Director, President and CEO of the Company since April 2011, and has abundant experience and track record in the Group management. As we expect him to contribute to the further development of the Group, we have nominated him as a candidate to continue serving as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p>Toshinori Nakamura (November 10, 1969)</p> <p>Reelection Tenure as Director 2 years Attendance at meetings of the Board of Directors 12/12 (100%)</p>	<p>Apr. 1993 Joined TOKAI CORPORATION</p> <p>Apr. 2009 General Manager of Corporate Accounting Division of TOKAI Communications Corporation</p> <p>Apr. 2013 General Manager of Corporate Management Division of the Company</p> <p>May 2018 In charge of Corporate Management Division and Corporate Accounting Division, and General Manager of Corporate Accounting Division of the Company</p> <p>Apr. 2019 Operating Officer, in charge of Corporate Management Division and Corporate Accounting Division, and General Manager of Corporate Accounting Division of the Company</p> <p>June 2019 Director and Operating Officer, in charge of Corporate Management Division and Corporate Accounting Division, and General Manager of Corporate Accounting Division of the Company</p> <p>Apr. 2020 Director, Senior Operating Officer and General Manager of Corporate Management Division of the Company (present position)</p>	9,085
<p>Reasons, etc. for nomination as candidate for Director</p> <p>Toshinori Nakamura has served as a person in charge of Corporate Management Division and Corporate Accounting Division, and as General Manager of the Corporate Management Division and other positions of the Company, and has abundant experience and track record in the Group operations. As we expect him to contribute to the further development of the Group, we have nominated him as a candidate to continue serving as a Director.</p>			
3	<p>Junichi Yamada (June 8, 1963)</p> <p>New election Tenure as Director - years Attendance at meetings of the Board of Directors -/- (- %)</p>	<p>Apr. 1986 Joined TOKAI CORPORATION</p> <p>Apr. 2006 General Manager of Human Resources Division of TOKAI CORPORATION</p> <p>Apr. 2011 Operating Officer and General Manager of Human Resources Division of the Company</p> <p>Apr. 2012 Operating Officer and General Manager of Human Resources Planning Division of the Company</p> <p>Apr. 2016 Operating Officer, in charge of Human Resources Planning Division and Human Resources Recruitment and Training Office of the Company</p> <p>Apr. 2017 Senior Operating Officer and Deputy General Manager of Administration Headquarters of the Company</p> <p>Apr. 2020 Senior Operating Officer and General Manager of Administration Headquarters of the Company (present position)</p>	12,177
<p>Reasons, etc. for nomination as candidate for Director</p> <p>Junichi Yamada has served as a person in charge of Human Resources Planning Division and Human Resources Recruitment and Training Office, and as General Manager of Administration Headquarters Division and other positions of the Company, and has abundant experience and track record in the Group operations. As we expect him to contribute to the further development of the Group, we have nominated him as a candidate to serve as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p style="text-align: center;">Katsuo Oguri (February 10, 1959)</p> <p style="text-align: center;">Reelection Tenure as Director 6 years Attendance at meetings of the Board of Directors 12/12 (100%)</p>	<p>Apr. 1982 Joined TOKAI CORPORATION</p> <p>June 1995 Head of Chuen Branch of TOKAI CORPORATION</p> <p>June 2008 Operating Officer of TOKAI CORPORATION</p> <p>Apr. 2011 Managing Director of TOKAI CORPORATION</p> <p>Apr. 2015 Representative Director and Vice President of TOKAI CORPORATION</p> <p>Apr. 2015 Executive Operating Officer of the Company</p> <p>Apr. 2015 Representative Director and Chairman of Energy Line Corporation (present position)</p> <p>Apr. 2015 Representative Director and President of JOYNET Co., Ltd. (present position)</p> <p>June 2015 Director of the Company (present position)</p> <p>Apr. 2016 Representative Director and President of TOKAI CORPORATION (present position)</p> <p>Sept. 2019 Representative Director and Chairman of Nissan Tri Star Construction, Inc. (present position)</p> <p>Apr. 2021 Representative Director and Chairman of Marco Polo Inc. (present position)</p>	42,550
<p>Reasons, etc. for nomination as candidate for Director</p> <p>Katsuo Oguri has served as Representative Director of TOKAI CORPORATION, our group company. As we expect him to provide advice on the Group's business from the professional perspectives, we have nominated him as a candidate to continue serving as a Director.</p>			
5	<p style="text-align: center;">Yasuhiro Fukuda (December 25, 1957)</p> <p style="text-align: center;">Reelection Tenure as Director 10 years and 3 months Attendance at meetings of the Board of Directors 12/12 (100%)</p>	<p>Apr. 1980 Joined TOKAI CORPORATION</p> <p>Jan. 2001 Director of Tokai Broadband Communications Co., Ltd.</p> <p>Oct. 2005 Managing Director of TOKAI Communications Corporation</p> <p>June 2008 Executive Director of TOKAI Communications Corporation</p> <p>June 2010 Representative Director and Executive Officer of TOKAI Communications Corporation</p> <p>Apr. 2011 Representative Director and Vice President of TOKAI Communications Corporation</p> <p>Apr. 2011 Director of the Company (present position)</p> <p>Apr. 2013 Representative Director and President of TOKAI Cable Network Corporation</p> <p>Apr. 2018 Representative Director and President of TOKAI Communications Corporation (present position)</p>	83,402
<p>Reasons, etc. for nomination as candidate for Director</p> <p>Yasuhiro Fukuda has served as Representative Director of TOKAI Communications Corporation, our group company. As we expect him to provide advice on the Group's business from the professional perspectives, we have nominated him as a candidate to continue serving as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<p>Mitsuhaya Suzuki (August 21, 1957)</p> <p>Reelection Tenure as Director 10 years and 3 months Attendance at meetings of the Board of Directors 12/12 (100%)</p>	<p>Apr. 1983 Joined TOKAI CORPORATION</p> <p>May 2008 General Manager of Security Net Business Division of TOKAI CORPORATION</p> <p>June 2008 Operating Officer and General Manager of Security Net Business Division of TOKAI CORPORATION</p> <p>Sept. 2010 Operating Officer and in charge of New Business Development Division of TOKAI CORPORATION</p> <p>Apr. 2011 Director, Senior Operating Officer and in charge of New Business Development Division of the Company</p> <p>Apr. 2012 Director, Senior Operating Officer and in charge of overseas business of the Company</p> <p>Apr. 2012 Director of TOKAI (Shanghai) Trade & Commerce Co., Ltd.</p> <p>Apr. 2014 Director of the Company (present position)</p> <p>May 2015 Representative Director and Vice President of TOKAI Communications Corporation</p> <p>Apr. 2018 Representative Director and President of TOKAI Cable Network Corporation (present position)</p>	24,552
<p>Reasons, etc. for nomination as candidate for Director</p> <p>Mitsuhaya Suzuki has served as Representative Director of TOKAI Cable Network Corporation, our group company. As we expect him to provide advice on the Group's business from the professional perspectives, we have nominated him as a candidate to continue serving as a Director.</p>			
7	<p>Masahiro Sone (July 27, 1940)</p> <p>Reelection Outside Independent Tenure as Director 8 years Attendance at meetings of the Board of Directors 12/12 (100%)</p>	<p>Apr. 1964 Joined Fuji Television Network, Inc.</p> <p>June 1995 Director of Fuji Television Network, Inc.</p> <p>June 1998 Executive Director of Shizuoka Telecasting Co., Ltd.</p> <p>June 2005 Representative Director and President of Shizuoka Telecasting Co., Ltd.</p> <p>June 2009 Representative Director and Chairman of Shizuoka Telecasting Co., Ltd.</p> <p>June 2011 Director and Corporate Counselor of Shizuoka Telecasting Co., Ltd.</p> <p>June 2013 Outside Director of the Company (present position)</p>	0
<p>Reason for nomination as candidate for Outside Director, overview of expected role, etc.</p> <p>Masahiro Sone participates in decision making from a fair and neutral standpoint as an Outside Director and provides appropriate guidance and advice regarding management. Moreover, he has served as Representative Director of Shizuoka Telecasting Co., Ltd. and has abundant experience and deep insight related to corporate management. As such, we judge that he will reflect his experience and insight in regard to the management of the Group, and we have nominated him as a candidate to continue serving as an Outside Director.</p> <p>If he is elected as an Outside Director, we expect him to provide advice, etc. for increasing corporate value based on his own insight regarding management policy and strategy from a perspective of corporate management.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
8	Masahiro Goto (July 7, 1952) Reelection Outside Independent Tenure as Director 3 years Attendance at meetings of the Board of Directors 12/12 (100%)	Apr. 1976 Nov. 2002 June 2003 June 2007 June 2010 June 2012 June 2015 June 2015 June 2015 June 2018 Jan. 2019	Joined Shizuoka Bank, Ltd. Executive Officer of Shizuoka Bank, Ltd. Senior Executive Officer of Shizuoka Bank, Ltd. Director and Senior Executive Officer of Shizuoka Bank, Ltd. Representative Director and Senior Managing Executive Officer of Shizuoka Bank, Ltd. Representative Director and Vice President of Shizuoka Bank, Ltd. Director of Shizuoka Bank, Ltd. Representative Director and Chairman of SHIZUGIN BUSINESS CREATE CO., LTD. Representative Director and Chairman of SHIZUGIN GENERAL SERVICE CO., LTD. Outside Director of the Company (present position) Director of Goto Kikaku, Ltd. (present position)	0
Reason for nomination as candidate for Outside Director, overview of expected role, etc. Masahiro Goto participates in decision making from a fair and neutral standpoint as an Outside Director and provides appropriate guidance and advice regarding management. Moreover, he has served as Representative Director of Shizuoka Bank, Ltd. and as the Representative Director of the bank's Group companies, and therefore has abundant experience and deep insight related to corporate management. As such, we judge that he will reflect his experience and insight in regard to the management of the Group, and we have nominated him as a candidate to continue serving as an Outside Director. If he is elected as an Outside Director, we expect him to provide advice, etc. for increasing corporate value based on his own insight regarding management policy and strategy from a perspective of corporate management.				
9	Nobuko Kawashima (October 27, 1962) New election Outside Independent Tenure as Director - years Attendance at meetings of the Board of Directors -/- (- %)	Apr. 1986 Sept. 1987 Sept. 1995 Apr. 1999 Apr. 2004 June 2016	Joined The Long-Term Credit Bank of Japan, Limited Joined Dentsu Institute Research Fellow at Cultural Policy Research Center of University of Warwick, UK Full-time Lecturer at Faculty of Economics, Doshisha University Professor at Faculty of Economics, Doshisha University (present position) External Director of Takara Bio Inc. (present position)	0
Reason for nomination as candidate for Outside Director, overview of expected role, etc. Nobuko Kawashima has served as a professor of Doshisha University Faculty of Economics and has expert academic knowledge. We judge that she will participate in decision making from a fair and neutral standpoint as an Outside Director and provide appropriate guidance and advice regarding management, and we have therefore nominated her as a candidate for Outside Director. If she is elected as an Outside Director, we expect her to provide advice, etc. for increasing corporate value based on her own insight regarding management policy and strategy from the perspective of a university professor.				

- Notes:
1. Masahiro Sone, Masahiro Goto and Nobuko Kawashima are candidates for Outside Director.
 2. There is no special interest between any of the candidates and the Company.
 3. Masahiro Sone currently serves as Outside Director of the Company, and as of the conclusion of this Ordinary General Meeting of Shareholders, he will have served as Outside Director for eight (8) years.
 4. Masahiro Goto currently serves as Outside Director of the Company, and as of the conclusion of this Ordinary General Meeting of Shareholders, he will have served as Outside Director for three (3) years.
 5. The Company has designated and registered Masahiro Sone and Masahiro Goto as Independent Officers as stipulated by the Tokyo Stock Exchange. If their election is approved, the Company plans for their designation as Independent Officers to continue.
 6. The Company judges there to be no concerns regarding the independence of Nobuko Kawashima. If her election is approved, the Company plans to designate her as an Independent Office as stipulated by the Tokyo Stock Exchange.

7. The Company has entered into a directors and officers liability insurance policy as provided by Article 430-3, paragraph 1 of the Companies Act with an insurance company. The policy covers losses that may arise in cases where the insured, which includes Directors of the Company, assumes liability incurred in the course of the performance of their duties or claims pertaining to the pursuit of such liability. If each candidate is elected and assumes office as Director, they will be included within the insureds under this insurance policy. Moreover, when the policy is renewed, the Company plans to renew the policy with the same terms.
8. Nobuko Kawashima is the name that Ms. Kawashima uses professionally. We have used the same name, as it is widely known. However, her name in her family register is Nobuko Yokoyama.

Proposal 3: Authorization for the Board of Directors of the Company to determine offering terms for share acquisition rights as stock options

Based on the provisions of Article 236, Article 238 and Article 239 of the Companies Act, we request approval to authorization for the Board of Directors of the Company to determine regarding offering terms for the share acquisition rights that are issued without contribution as stock options to employees of the Company and to Directors and employees of subsidiaries of the Company in accordance with the following procedure.

- I. Reason for the need to solicit subscribers for share acquisition rights based on particularly favorable terms
As part of programs commemorating the 10th anniversary of the TOKAI Group becoming a holding company, for purposes including providing further incentive and motivation to improve the performance of the Group and to increase corporate value, the Company intends to issue share acquisition rights without contribution as stock options to employees of the Company and to Directors and employees of subsidiaries of the Company.
- II. Upper limit on the number of share acquisition rights for which offering terms may be determined, and need for payment, based on the matters resolved at this General Meeting of Shareholders
 1. Upper limit on the number of share acquisition rights for which offering terms may be determined based on this authorization
The upper limit for share acquisition rights with details as prescribed in III below shall be 11,500.
The upper limit on the number of shares to be granted by exercise of share acquisition rights shall be 1,150,000 common shares of the Company. In the event that the number of shares to be granted (defined below) is adjusted as prescribed in III-1 below, the upper limit of the number of shares shall be the number obtained by multiplying the number of granted shares after adjustment by the maximum number of share acquisition rights as provided above.
 2. Monetary payment shall not be required for the share acquisition rights for which offering terms may be determined based on this authorization.
- III. Details of share acquisition rights for which offering terms may be determined based on the matters resolved at this General Meeting of Shareholders
 1. Class and number of shares to be granted upon exercise of share acquisition rights
The class of shares to be granted upon exercise of share acquisition rights shall be common shares of the Company. The number of shares to be granted upon each exercise of share acquisition rights (hereinafter, “number of granted shares”) shall be 100 shares.
However, in the event that the Company carries out a share split of common shares of the Company (including allotment of common shares of the Company without contribution; the same apply hereinafter in relation to share splits) or a consolidation of shares after the conclusion of this General Meeting of Shareholders, the number of granted shares shall be adjusted according to the following formula. Any fractions less than one share resulting from this adjustment shall be rounded down.
$$\text{Number of granted shares after adjustment} = \text{Number of granted shares before adjustment} \times \text{Ratio of the share split or consolidation}$$

The date on which the number of granted shares after adjustment takes effect shall be as prescribed in 3-(2)-(i). In addition to the above, in the event that the Company carries out a merger or company split after the conclusion of this General Meeting of Shareholders, or if adjustment of the number of granted shares is necessary for another equivalent reason, the Company may adjust the number of granted shares appropriately within a reasonable range.
When adjusting the number of granted shares, the Company shall provide notification or announcement of the necessary matters to the owners of share acquisition rights who are listed in the registry of share acquisition rights (hereinafter, “share acquisition right holders”) by the day preceding the day on which the adjusted number of granted shares takes effect. However if it is not possible to provide notification or announcement by the day preceding the day on which the adjusted number of granted shares takes effect, notification or announcement shall be provided promptly afterwards.

2. Amount of property to be contributed upon exercise of share acquisition rights

The amount of property to be contributed upon exercise of share acquisition rights shall be the amount of the paid-in amount for one share which may be acquired by exercise of the corresponding share acquisition right (hereinafter, “exercise price”) multiplied by the number of granted shares.

The exercise price shall be the average value of the closing price for ordinary transactions of the Company’s common shares on the Tokyo Stock Exchange (hereinafter, “closing price”) on all days of the month (excepting days when no trades occur) preceding the month containing the day on which share acquisition rights are allocated (hereinafter, “allotment date”) multiplied by 1.05 (fractions of yen are rounded up), or it shall be the closing price on the record day (if there is no closing price on the record day, then the closing price on the most recent trading day preceding the record day), whichever of the above two prices is higher. However, the exercise price shall be subject to the adjustment prescribed in 3 below.

3. Adjustment of the exercise price

(1) In the event that the Company carries out either (i) or (ii) below in regard to common shares of the Company on or after the allotment date, it shall adjust the exercise price using the corresponding formula below (hereinafter, “exercise price adjustment formula”), and shall round up any fractions less than one yen resulting from the adjustment.

(i) The Company carries out a share split or consolidation

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{1}{\text{Ratio of the share split or consolidation}}$$

(ii) The Company issues new shares at a price that is below the market value or disposes of treasury shares (excepting cases of securities conversion involving securities which are converted or may be converted to common shares of the Company, or cases resulting from the exercise of share acquisition rights (including those attached to bonds payable which include share acquisition rights) which may claim acquisition of common shares of the Company after the Company sells treasury shares based on the provisions of Article 194 of the Companies Act (demand for the sale of shares less than one unit by a holder of shares less than one unit))

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

i The “market value” used in the exercise price adjustment formula shall be the average value of the closing price (including indicative prices; same below) for 30 trading days (excluding days when there is no closing price) starting from the 45th trading day prior to the “effective date of the adjusted exercise price” (hereinafter, “effective date”) that is prescribed below in (2). The “average value” shall be calculated with the second decimal place of values less than a whole yen rounded to one decimal place.

ii The “number of shares already issued” used in the exercise price adjustment formula shall be the record date when a record date exists. When a record date does not exist, this number shall be the total number of ordinary shares issued by the Company on the date one month prior to the effective date minus the number of ordinary shares of the Company that are held by the Company as treasury shares.

iii In the event that the Company disposes of treasury shares, then “number of shares newly issued” in the exercise price adjustment formula shall be replaced by “number of treasury shares to be disposed of.”

(2) The date on which the exercise price after adjustment becomes effective shall be decided as shown below.

(i) When adjustment is performed as described in (1)-(i) above, then in the case of a share split, the exercise price after adjustment shall take effect on or after the day following the record date for that share split (or the date when the share split takes effect if there is no record date). In the

case of a share consolidation, it shall be on or after the date when the share consolidation takes effect. However if a share split is carried out when a proposal to reduce the amount of surplus and increase share capital or reserves has been approved at the Company's General Meeting of Shareholders, and if the record date for that share split is on or before the conclusion date of that General Meeting of Shareholders, the exercise price after adjustment shall be applied retroactively to the day following that record date beginning from the day following the conclusion date of that General Meeting of Shareholders.

In the case prescribed in the preceding exception, the number of ordinary shares of the Company provided to a share acquisition right holder who exercised share acquisition rights between the day following the share split record date and the conclusion date of the General Meeting of Shareholders (with the number of shares that may be acquired by exercise of the related share acquisition rights hereinafter referred to as "pre-split exercise number of shares") shall be adjusted using the following formula. Any fractions less than one share resulting from this adjustment shall be rounded down.

$$\text{Number of shares newly issued} = \frac{(\text{Exercise price before adjustment} - \text{Exercise price after adjustment}) \times \text{Pre-split exercise number of shares}}{\text{Exercise price after adjustment}}$$

- (ii) When adjustment is performed as described in (1)-(ii) above, then the exercise price after adjustment shall apply beginning from the day following the payment date (or when a payment period is prescribed, the final day of that payment period) for that issue or disposal (on beginning from the day following the record date when a record date exists).
 - (3) In addition to the cases prescribed in (1)-(i) and (ii) above, when adjustment of the exercise price is necessary in cases such as when shares of another type are allocated without contribution to an ordinary shareholder or when shares of another company are provided as dividends to an ordinary shareholder, the Company shall be permitted to adjust the exercise price within a reasonable range with consideration for the terms and other matters applying to that allotment, provision as dividend or equivalent act on or after the allotment date.
 - (4) When adjusting the exercise price, the Company shall provide notification or announcement of the necessary matters to the share acquisition right holders by the day before the effective date. However, if it is not possible to provide notification or announcement by the day preceding the day on which the adjusted exercise price takes effect, notification or announcement shall be provided promptly afterwards.
4. Exercise period of share acquisition rights
The period shall be five years beginning from the date when two years have passed following the allotment date.
 5. Matters related to the increased share capital and legal capital surplus resulting from the issue of shares upon the exercise of share acquisition rights
 - (1) The amount of increased share capital resulting from the issue of shares upon the exercise of share acquisition rights shall be one half of the share capital increase limit that is calculated as prescribed in Article 17, paragraph 1 of the Regulation on Corporate Accounting. Any fractions less than one yen in the calculated result shall be rounded up to the next whole yen.
 - (2) The amount of increased legal capital surplus resulting from the issue of shares upon the exercise of share acquisition rights shall be the share capital increase limit in (1) above minus the amount of increased share capital as determined in (1) above.
 6. Restrictions on acquisition of share acquisition rights by transfer
Acquisition of share acquisition rights by transfer requires approval by a resolution of the Company's Board of Directors.
 7. Terms for acquisition of share acquisition rights
In the event that the proposal in (1), (2), (3), (4) or (5) below was approved at the Company's General Meeting of Shareholders (or, if a resolution by the General Meeting of Shareholders is not required, when a resolution was adopted by the Company's Board of Directors), the Company may acquire share acquisition rights with no contribution on the date which is decided separately by the Board of Directors.

- (1) Proposal for approval of a merger agreement in which the Company is the absorbed corporation
 - (2) Proposal for approval of a company-split agreement or company-split plan in which the Company is the split corporation
 - (3) Proposal for approval of a share swap agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary
 - (4) Proposal for approval of a change to the articles of incorporation to establish that approval by the Company is required for acquisition by transfer of all shares issued by the Company
 - (5) Proposal for approval of a change to the articles of incorporation to establish that approval by the Company is required for acquisition by transfer of the type of shares to be issued upon exercise of share acquisition rights, or that the Company shall acquire all of that type of shares by means of a resolution at the Company's General Meeting of Shareholders
8. Policy for decisions related to provision of share acquisition rights for a reorganized company when reorganization occurs

In the event that the Company carries out a merger (limited to cases when the Company is absorbed as a result of the merger), absorption-type split or incorporation-type split (limited to cases when the Company is the split company) or share swap or share transfer (limited to cases when the Company becomes a wholly-owned subsidiary) (the above events are hereafter collectively referred to as "acts of reorganization"), then in each case the Company shall provide share acquisition rights of the stock company prescribed in (a) through (e) under Article 236, paragraph 1, item 8 of the Companies Act (hereafter, "reorganized company") to the share acquisition right holders who own the remaining share acquisition rights (hereafter referred to as "remaining share acquisition rights") immediately before the date on which the acts of reorganization take effect (date on which the absorption-type merger takes effect in the case of an absorption-type merger, date on which the newly incorporated company is established in the case of an incorporation-type merger, date on which the absorption-type split takes effect in the event of an absorption-type split, date on which the newly incorporated company is established in the case of an incorporation-type split, date on which the share swap takes effect in the case of a share swap, or the date on which the wholly-owning parent company is established by share transfer in the case of a share transfer; same below). However, the above requires that the provision of share acquisition rights of the reorganized company be prescribed as enumerated below in an absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type split plan, share swap agreement or share transfer plan.

- (1) Number of provided share acquisition rights of the reorganized company
The number provided shall be the same as the number of remaining share acquisition rights owned by each share acquisition right holder.
- (2) Class of shares of the reorganized company to be issued upon exercise of share acquisition rights
The shares shall be common shares of the reorganized company.
- (3) Number of shares of the reorganized company to be issued upon exercise of share acquisition rights
The number shall be decided as prescribed in 1 above with consideration for the terms and other matters relating to the acts of reorganization.
- (4) Amount of property to be contributed upon exercise of share acquisition rights
The amount of property to be contributed upon exercise of the provided share acquisition rights shall be the value of the post-reorganization exercise price resulting from adjustment of the exercise price as prescribed in 2 above with consideration for the terms and other matters relating to the acts of reorganization, multiplied by the number of shares of the reorganized company to be issued upon exercise of share acquisition rights that is decided as prescribed in (3) above.
- (5) Exercise period of share acquisition rights
The period shall start from either the start date of the period when exercise of share acquisition rights is permitted as prescribed in 4 above, or the date on which the acts of reorganization take effect, whichever of the above two dates is later, and the period shall end on the final day of the period when exercise of share acquisition rights is permitted as prescribed in 4 above.
- (6) Matters related to the increased share capital and legal capital surplus resulting from the issue of shares upon the exercise of share acquisition rights
Shall be decided as prescribed in 5 above.

- (7) Restrictions on acquisition of share acquisition rights by transfer
Acquisition of share acquisition rights by transfer requires approval by a resolution of the reorganized company's Board of Directors.
- (8) Terms for acquisition of share acquisition rights
Shall be decided as prescribed in 7 above.
- (9) Other terms applying to the exercise of share acquisition rights
Shall be decided as prescribed in 10 below.
- 9. Treatment of fractions less than one share resulting from the exercise of share acquisition rights
When fractions less than one share occur in the number of shares to be provided to the share acquisition right holder resulting from the exercise of share acquisition rights, the fractions shall be rounded down.
- 10. Other terms applying to the exercise of share acquisition rights
In the event that the share acquisition right holder gives up the share acquisition rights, then those share acquisition rights cannot be exercised.