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Securities code: 7483

June 10, 2022

To our shareholders:

Masayuki Nomura
President
DOSHISHA CO., LTD.
1-5-5 Higashi-Shinsaibashi, Chuo-ku, Osaka

NOTICE OF THE 46TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby notify you that the 46th Ordinary General Meeting of Shareholders of DOSHISHA CO., LTD. (the “Company”) will be held as described below.

In order to prevent infections and the spread of the novel coronavirus disease (COVID-19), shareholders are requested to exercise their voting rights in writing or via the Internet, etc. in advance for this general meeting of shareholders and refrain from attending the meeting, if possible. For exercising your voting rights in advance, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m. on Tuesday, June 28, 2022 (Japan Standard Time).

- 1. Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m. (Japan Standard Time)
(Reception will open at 9:00 a.m.)
- 2. Place:** DOSHISHA CO., LTD. Osaka Head Office, 11th Floor
1-5-5 Higashi-Shinsaibashi, Chuo-ku, Osaka

No souvenirs will be provided to shareholders who attend the General Meeting of Shareholders. We would greatly appreciate your understanding.

3. Agenda:

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 46th Term (from April 1, 2021 to March 31, 2022), as well as the results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 46th Term (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Partial amendments to the Articles of Incorporation
- Proposal 3:** Election of seven (7) Directors
- Proposal 4:** Issuance of stock acquisition rights as stock options

4. Disclosure via the Internet

In accordance with the applicable laws and regulations and the provisions of Article 16 of the Company’s Articles of Incorporation, we have posted on our website (<https://www.doshisha.co.jp/>) the following matters, and thus omitted them from this Notice.

- “Systems for Ensuring the Properness of Business Activities” in the Business Report
- “Outline of the Operation of Internal Control System” in the Business Report
- “Consolidated Statement of Changes in Equity” in the Consolidated Financial Statements
- “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements
- “Statement of Changes in Equity” in the Financial Statements
- “Notes to the Non-consolidated Financial Statements” in the Financial Statements

These matters are included in the Business Report, the Consolidated Financial Statements and the Financial Statements that the Accounting Auditor or the Audit & Supervisory Board Members audited to prepare the Financial Audit Report or the Audit Report.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of surplus

Having identified the appropriate return of profits to shareholders as its most important management policy, the Company has made it its basic policy to, while bearing in mind the need to maintain a proactive and stable dividend, also consider the need to maintain internal reserves to fund further business expansion and to strengthen the corporate structure so that it can respond to changes in the business environment, as well as the need for a compensation system that reflects employee performance.

Taking into account factors such as future business expansion, the Company proposes the year-end dividends for the 46th Term and other appropriation of surplus as follows:

1. Matters related to year-end dividends
 - (1) Type of dividend property
Cash
 - (2) Allocation of dividend property and total amount thereof
¥30 per common share of the Company
Total amount of dividends: ¥1,036,998,360
Note that the Company paid an interim dividend of ¥30 per share, bringing the dividend for the entire fiscal year to ¥60 per share.
 - (3) Effective date of distribution of dividends of surplus
June 30, 2022
2. Matters related to other appropriation of surplus
 - (1) Item of surplus to be increased and amount of increase thereof
General reserve: ¥3,000,000,000
 - (2) Item of surplus to be decreased and amount of decrease thereof
Retained earnings brought forward: ¥3,000,000,000

Proposal 2: Partial amendments to the Articles of Incorporation

1. Reasons for proposal

- (1) The Company proposes to add a business objective to Article 2 of the current Articles of Incorporation (Objective) in order to clarify its business lineup according to the current state of its business and in preparation for future business expansion and diversification, and to adjust the numbering of items in the Article to accommodate the newly established item.
- (2) In accordance with the enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on September 1, 2022, the Company proposes to make the following amendments to its Articles of Incorporation since the system for providing informational materials for the general meeting of shareholders in electronic format will be introduced.
 - (i) Since the Company is obliged to stipulate in its Articles of Incorporation that it will take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format, the Company will newly establish paragraph 1 of Article 16 (Measures, etc. for Providing Information in Electronic Format) in “Proposed amendment” below.
 - (ii) The Company will newly establish paragraph 2 of Article 16 (Measures, etc. for Providing Information in Electronic Format) in “Proposed amendment” below in order to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents to the scope designated by the Ministry of Justice Order, among items for which the measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format will be taken.
 - (iii) The provisions of Article 16 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) will be deleted as they will no longer be required after the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.
 - (iv) Supplementary provisions will be established regarding the coming into effect of new establishment and deletion of provisions as mentioned above. These supplementary provisions shall be deleted after the term elapses.

2. Details of the amendments

Details of the amendments are as follows:

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendment
<p>(Objective) Article 2 The objective of the Company is to engage in the following business areas. Items 1. through 32. (Omitted) (Newly established) <u>33.</u> Any business incidental to any of the above</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>Article 16</u> <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p>	<p>(Objective) Article 2 The objective of the Company is to engage in the following business areas. Items 1. through 32. (Unchanged) <u>33. Electronic commerce</u> <u>34.</u> Any business incidental to any of the above</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendment
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>(Measures, etc. for Providing Information in Electronic Format)</u> <u>Article 16</u></p> <p><u>1 When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p><u>2 Among items for which the measures for providing information in electronic format will be taken, the Company shall not be required to include all or some of those items designated by the Ministry of Justice Order in statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p><u>(Supplementary Provisions)</u> <u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u> <u>Article 1</u></p> <p><u>1 The deletion of Article 16 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) and the establishment of the new Article 16 in the Articles of Incorporation (Measures, etc. for Providing Information in Electronic Format) shall be effective from September 1, 2022.</u></p> <p><u>2 Notwithstanding the provision of the preceding paragraph, Article 16 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from September 1, 2022.</u></p> <p><u>3 These Supplementary Provisions shall be deleted on the date when six months have elapsed from September 1, 2022 or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of seven (7) Directors

The term of all eight (8) Directors expires at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of seven (7) Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Masaharu Nomura (September 18, 1946)	Jan. 1977 Established the Company Took office as President Apr. 2014 Chairman and Chief Executive Officer Apr. 2021 Chairman (present position) Significant concurrent positions outside the Company Director, Doshisha Logistics Co., Ltd. Director, Karinpia Co., Ltd.	1,079,583
<p>[Reasons for nomination as candidate for Director] As the founder of the company, with his strong leadership and determination, he has led the management of the Company and steadily developed the Group for over 40 years since its foundation. The Company has nominated him as a candidate to continue serving as Director due to his achievements that prove his ability and insight as an operator.</p>			
2	Masayuki Nomura (June 3, 1972)	Jan. 1998 Joined the Company June 2004 Director Apr. 2006 Managing Director, Chief Director of PB Division May 2006 Chief Director of The Second Business Unit May 2007 Senior Managing Director May 2010 Representative Senior Managing Director, Officer In Charge of Investor Relations & Public Relations Apr. 2011 Representative Director and Executive Vice President, Chief Director of Sales and Officer In Charge of Investor Relations & Public Relations Apr. 2014 President and Chief Operating Officer Apr. 2021 President, CEO and COO (present position) Significant concurrent positions outside the Company Director, MS SHOJI KK	59,900
<p>[Reasons for nomination as candidate for Director] He has abundant experience, achievements and insight into management, obtained through having acted in important positions since joining the Company and serving currently as the President of the Company since April 2014. The Company has nominated him as a candidate to continue serving as Director due to his ability, experience and insight, required for supervising and leading the administration of business matters.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Toneri Kimbara (August 5, 1952)	<p>Feb. 1990 Joined the Company</p> <p>June 1995 Director</p> <p>June 2001 Managing Director</p> <p>Nov. 2002 Senior Managing Director</p> <p>Dec. 2004 Vice President, Chief Director of PB Division</p> <p>Mar. 2005 Chief Director of PB Division and Officer In Charge of Quality Assurance</p> <p>Apr. 2006 Chief Director of Sales and Officer In Charge of Investor Relations & Public Relations</p> <p>July 2006 Chief Director of Sales, Officer In Charge of Quality Assurance, Investor Relations & Public Relations</p> <p>Feb. 2007 Chief Director of Sales, Chief Director of Quality Assurance/Affiliated Companies Business, and Officer In Charge of Investor Relations & Public Relations</p> <p>Apr. 2008 Chief Director of Sales and Officer In Charge of Investor Relations & Public Relations</p> <p>July 2010 Chief Director of Sales</p> <p>Apr. 2011 Representative Director and Executive Vice President, Advisor to the President</p> <p>May 2013 Advisor to the President and Officer In Charge of Sales Planning</p> <p>June 2014 Vice Chairman and Advisor to the Chairman</p> <p>Nov. 2018 Vice President and Chief Director of Sales (present position)</p> <p>Significant concurrent positions outside the Company</p> <p>President, Victoria Well Holdings Limited</p> <p>President, Shanghai Comrade Trade Company</p> <p>Director, Life Net Co., Ltd.</p> <p>Director, Rainbow Warehouse (Shenzhen) Limited</p> <p>Director, Lianyungang Brilliant Daily Products Co., Ltd.</p> <p>Director, Lianyungang Brilliant Industrial Co., Ltd.</p>	64,869
<p>[Reasons for nomination as candidate for Director]</p> <p>The Company has nominated him as a candidate to continue serving as Director due to his abundant experience, achievements and insight into management, obtained through having acted in important positions since joining the Company and serving currently as the Representative Director of the Company since December 2004.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Takahiro Matsumoto (August 25, 1970)	<p>Apr. 1994 Joined Daiwa Bank, Ltd. (now Resona Bank, Limited.)</p> <p>Apr. 2012 Joined the Company, Director of Corporate Planning Department</p> <p>Aug. 2013 Supervising Director of System Development Department, Director of Corporate Planning Department, and Officer In Charge of Investor Relations & Public Relations</p> <p>June 2014 Executive Officer, Executive Officer In Charge of System Development and Supervising Director of Financial & Accounting Department, Foreign Trade Operation Department and Business Management Department</p> <p>June 2016 Director and Executive Officer In Charge of Financial & Accounting, Foreign Trade Operation and Business Management</p> <p>Apr. 2018 Director and Executive Officer In Charge of Financial & Accounting, Foreign Trade Operation, Business Management and Investigation</p> <p>Apr. 2019 Director and Managing Executive Officer In Charge of Financial & Accounting, Foreign Trade Operation and Business Management (present position)</p>	1,144
<p>[Reasons for nomination as candidate for Director]</p> <p>The Company has nominated him as a candidate to continue serving as Director due to his superior ability, experience and insight into management, obtained through having extensive experience in the Management Department of the Company since joining the Company and serving currently as the Director of the Company since June 2016.</p>			
5	<p>Outside Director</p> <p>Chohachi Goto (February 9, 1945)</p>	<p>Jan. 1972 Joined SHIMAMURA Co., Ltd.</p> <p>May 1985 Director of SHIMAMURA Co., Ltd.</p> <p>May 1987 Managing Director of SHIMAMURA Co., Ltd.</p> <p>May 1990 Senior Managing Director of SHIMAMURA Co., Ltd.</p> <p>May 2009 Resigned from SHIMAMURA Co., Ltd.</p> <p>June 2015 Director of the Company (present position)</p>	11,675
<p>[Reasons for nomination as candidate for Outside Director and outline of roles expected]</p> <p>The Company has nominated Chohachi Goto as a candidate for Outside Director since the Company expects him to continue serving as Outside Director and to provide the Company with his valuable opinions and suggestions on the management of the Company, and the appropriate direction for business execution from an independent standpoint for the enhancement of a mid- and long-term shareholder value and corporate value based on his abundant experience and extensive knowledge obtained from the post of corporate manager for many years.</p> <p>[Tenure as Outside Director]</p> <p>At the conclusion of this meeting, his tenure as an Outside Director of the Company will be seven (7) years.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
6	<p style="text-align: center;">Outside Director</p> <p style="text-align: center;">Noriaki Kumamoto (November 9, 1947)</p>	<p>Apr. 1966 Appointed Police Officer with Osaka Prefectural Police</p> <p>Mar. 2001 Chief of Fuse Police Station</p> <p>Mar. 2002 Head of Criminal Administration Division, Criminal Investigation Department</p> <p>Mar. 2003 Head of Inspection Office, Police Administration Department</p> <p>Mar. 2004 Chief of Minami Police Station</p> <p>Mar. 2005 Head of Osaka City Police Department and Head of Organized Crime Division, Osaka Prefectural Police</p> <p>Jan. 2006 Head of Criminal Investigation Department, Osaka Prefectural Police Headquarters</p> <p>Mar. 2008 Resigned as Police Officer with Osaka Prefectural Police</p> <p>Apr. 2008 Head of Osaka Office of the Japan Safe Driving Center</p> <p>Mar. 2010 Resigned as Head of Osaka Office of the Japan Safe Driving Center</p> <p>June 2015 Director of the Company (present position)</p>	13,374
<p>[Reasons for nomination as candidate for Outside Director and outline of roles expected]</p> <p>The Company has nominated Noriaki Kumamoto as a candidate for Outside Director since the Company expects him to continue serving as Outside Director and to provide the Company with his valuable opinions and advice on the management of the Company, and the appropriate direction for business execution from an independent standpoint for the enhancement of a mid- and long-term shareholder value and corporate value based on his abundant experience and extensive knowledge obtained from serving as Head of Criminal Investigation Department, Osaka Prefectural Police Headquarters and Head of Organized Crime Division, Osaka Prefectural Police.</p> <p>The Company has nominated him as a candidate to continue serving as Outside Director, because the Company has judged that, based on his extensive experience at the police, he can properly perform the duties of an Outside Director, although he has no direct experience of managing any private enterprises other than as an Outside Director.</p> <p>[Tenure as Outside Director]</p> <p>At the conclusion of this meeting, his tenure as an Outside Director of the Company will be seven (7) years.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
7	Outside Director Keiji Takamasu (March 2, 1953)	<p>Apr. 1977 Joined The Sumitomo Bank, Limited (now Sumitomo Mitsui Banking Corporation)</p> <p>May 2005 Executive Officer of Sumitomo Mitsui Banking Corporation</p> <p>May 2008 Senior Managing Officer of Kansai Urban Banking Corporation (now Kansai Mirai Bank, Limited)</p> <p>June 2008 Senior Managing Director and Senior Managing Officer of Kansai Urban Banking Corporation</p> <p>June 2011 Senior Managing Officer of The Royal Hotel, Limited</p> <p>June 2012 Representative Director and Vice President of The Royal Hotel, Limited</p> <p>Mar. 2015 Representative Director and Vice President of The Royal Hotel, Limited, and Representative Director and President of RIHGA Royal Hotel Hiroshima, Limited, and Representative Director and President of RIHGA Royal Hotel Kokura, Limited</p> <p>June 2017 Resigned from The Royal Hotel, Limited</p> <p>June 2018 Director of the Company (present position)</p> <p>Significant concurrent positions outside the Company Representative Director, iBNet Co., Ltd.</p>	2,542
<p>[Reasons for nomination as candidate for Outside Director and outline of roles expected] The Company has nominated Keiji Takamasu as a candidate for Outside Director since the Company expects him to continue serving as Outside Director and to provide the Company with his valuable opinions and suggestions on the management of the Company, and the appropriate direction for business execution from an independent standpoint for the enhancement of a mid- and long-term shareholder value and corporate value based on his abundant experience and extensive knowledge on finance and corporate management obtained from key posts of financial institutions and hotel management companies for many years.</p> <p>[Tenure as Outside Director] At the conclusion of this meeting, his tenure as an Outside Director of the Company will be four (4) years.</p>			

- Notes:
1. The Company engages in transactions such as goods procurement with Victoria Well Holdings Limited, the company where candidate for Director Toneri Kimbara serves as President.
 2. There is no special interest between any of the other candidates and the Company.
 3. The Company has entered into a directors and officers liability insurance contract with an insurance company, as prescribed in Article 430-3, Paragraph 1 of the Companies Act. The insureds are directors, audit & supervisory board members, executive officers, management level personnel of the Company and officers dispatched outside the Company and do not bear the premiums. The insurance policy covers legal damages and court costs and other officer's expenses that may be incurred by the insured. If each of the candidates is elected, each of them will become insured under the policy.
 4. Chohachi Goto, Noriaki Kumamoto and Keiji Takamasu are candidates for Outside Director. Pursuant to the Company's Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, the Company has concluded limited liability agreements with them to limit their liability, provided that they have acted in good faith and without gross negligence, to the extent defined by the laws and regulations. If each of their elections is approved, the Company plans to retain these limited liability agreements with each of them.
 5. The Company has designated Chohachi Goto, Noriaki Kumamoto and Keiji Takamasu as Independent Officers in accordance with the rules of the Tokyo Stock Exchange, and has registered them as such at the exchange. If each of their elections is approved, the Company plans for their appointment as Independent Officers to continue.

■Skill matrix for the Board of Directors after this General Meeting of Shareholders

Name	Inside/ outside	Position	Expected ability, experience and knowledge				
			Corporate management Business strategy	Sales Marketing	Product development Quality control	Finance and accounting Tax	Legal affairs Risk management
Masaharu Nomura	Inside	Chairman	●	●	●	●	●
Masayuki Nomura	Inside	President	●	●	●	●	●
Toneri Kimbara	Inside	Vice President	●	●	●	●	●
Takahiro Matsumoto	Inside	Director				●	
Chohachi Goto	Outside	Director	●	●	●		
Noriaki Kumamoto	Outside	Director					●
Keiji Takamasu	Outside	Director	●	●		●	
Toshihiro Fujimoto	Inside	Full-time Audit & Supervisory Board Member				●	●
Akira Sakamoto	Inside	Full-time Audit & Supervisory Board Member		●	●		●
Shiro Koyama	Outside	Audit & Supervisory Board Member				●	
Tadashi Edo	Outside	Audit & Supervisory Board Member				●	

* The above skill matrix shows items particularly expected to each officer, not all knowledge and experience each of them possesses.

Proposal 4: Issuance of stock acquisition rights as stock options

In accordance with the provisions of Articles 236, 238 and 239 of the Companies Act, the Company requests approval to give the Company's Board of Directors the authority to determine the subscription requirements for the stock acquisition rights to be issued as stock options to Directors (excluding Outside Directors), Audit & Supervisory Board Members, employees and counselors of the Company as well as to Directors of the Company's subsidiaries as outlined below.

The stock acquisition rights to be allotted to Directors and Audit & Supervisory Board Members of the Company are included in non-monetary remuneration, etc. for Directors and Audit & Supervisory Board Members. At the 18th Ordinary General Meeting of Shareholders held on June 29, 1994, the Company obtained approval to set the annual amount of remuneration of Directors at or below ¥960 million and that of Audit & Supervisory Board Members at or below ¥120 million. The amounts have remained unchanged since then. Separately from the aforementioned monetary remuneration, the Company also requests approval to grant stock acquisition rights to Directors and Audit & Supervisory Board Members as non-monetary remuneration, etc.

The amount of stock acquisition rights to be granted to Directors and Audit & Supervisory Board Members of the Company as remuneration, etc. will be obtained by multiplying fair value of one stock acquisition right calculated on the allotment date of the stock acquisition rights, by total number of stock acquisition rights allotted to Directors and Audit & Supervisory Board Members of the Company. The fair value of one stock acquisition right is based on a fair appraisal value calculated using a stock options pricing model such as the Black-Scholes model under conditions including the share price on the allotment date of stock acquisition rights and the details of stock acquisition rights.

The number of Directors of the Company is currently eight (including three Outside Directors). If Proposal 3: "Election of seven (7) Directors" is approved and adopted as originally proposed, the number of Directors will be seven (including three Outside Directors). Additionally, the number of Audit & Supervisory Board Members of the Company is currently four (including two Outside Audit & Supervisory Board Members).

1. Reasons for issuing stock acquisition rights with particularly favorable conditions

The Company will issue stock acquisition rights without consideration to its Directors, Audit & Supervisory Board Members, employees and counselors as well as to Directors of its subsidiaries without requiring payment of cash, for the purpose of further enhancing their motivation and morale to increase the Group's corporate value and further raising Audit & Supervisory Board Members' awareness to appropriate auditing.

The Company considers it reasonable to grant stock acquisition rights to its Directors and Audit & Supervisory Board Members, since the grant was determined in consideration of the above purposes, the Company's business condition, the degree of contribution of Directors and Audit & Supervisory Board Members at the Company, and other various factors.

2. Details, maximum number, etc. of stock acquisition rights for which subscription requirements are to be determined by resolution of this General Meeting of Shareholders

(1) Class and number of shares underlying stock acquisition rights

The class of shares underlying the stock acquisition rights shall be common shares of the Company, and the maximum number of shares underlying the stock acquisition rights shall be 1,994,000 shares.

Of the above, the maximum number of shares underlying the stock acquisition rights to be granted to Directors of the Company shall be 160,000 shares, and the maximum number of those to Audit & Supervisory Board Members of the Company shall be 14,000 shares.

In the event that the Company conducts a stock split or reverse stock split after the date of allotment of the stock acquisition rights (the "Allotment Date"), the number of underlying shares shall be adjusted using the following formula. However, such adjustment shall be made to shares underlying the stock acquisition rights which are not exercised at the time of the stock split or reverse stock split, and any fraction less than one share resulting from the adjustment shall be discarded.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \frac{\text{Ratio of stock split or reverse stock split}}{\text{stock split}}$$

In addition to the above, in unavoidable cases where adjustment of the number of shares becomes required after the Allotment Date, the Company shall make such adjustment to the extent reasonable and necessary.

(2) Total number of stock acquisition rights

The maximum number of stock acquisition rights shall be 19,940.

Of the above, stock acquisition rights to be granted to Directors of the Company shall be limited to 1,600, and those to Audit & Supervisory Board Members of the Company shall be limited to 140. (The number of underlying shares per stock acquisition right shall be 100 shares. However, if an adjustment is made as specified in (1) above, an equivalent adjustment shall be made.)

(3) Amount of assets to be contributed upon exercise of stock acquisition rights

Assets to be contributed upon exercise of stock acquisition rights shall be cash, and the amount shall be obtained by multiplying the paid-in amount per share to be delivered upon exercise of the stock acquisition rights (the “Exercise Price”) by the number of shares underlying the stock acquisition rights.

The Exercise Price shall be the amount obtained by multiplying the higher of either the average closing price of the Company’s common share in regular transactions at Tokyo Stock Exchange, Inc. (the “Closing Price”) for each day (excluding days on which there were no transactions executed) of the month preceding the month under which the Allotment Date falls or the Closing Price on the Allotment Date (if no Closing Price is available, the Closing Price on the day immediately preceding the Allotment Date) by 1.05, and any fraction of less than ¥1 shall be rounded up.

In the event the Company conducts a stock split or reverse stock split of its common shares after the Allotment Date, the Exercise Price shall be adjusted, according to the ratio of the stock split or reverse stock split, using the following formula. Any fraction of less than ¥1 resulting from the adjustment shall be rounded up.

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

Additionally, if, after the Allotment Date, the Company issues new shares or disposes of its treasury stock at a price below the market price with respect to its common shares (excluding sale of treasury stock pursuant to the provisions of Article 194 of the Companies Act (Demand for Sale of Shares Less than One Unit by Holder of Shares Less than One Unit), conversion of securities to be converted or securities that are convertible into common shares of the Company, or exercise of stock acquisition rights that permit holders to request delivery of the Company’s common shares (including those rights attached to bonds with stock acquisition rights)), the Exercise Price shall be adjusted using the following formula. Any fraction of less than ¥1 resulting from the adjustment shall be rounded up.

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

“Number of outstanding shares” in the above formula means the amount obtained by subtracting the number of treasury stock of common shares held by the Company from the total number of the Company’s outstanding common shares. If the Company disposes of treasury stock, “number of shares newly issued” shall be read as “number of treasury stock to be disposed of” and “paid-in amount per share” shall be read as “disposal amount per share.”

In addition to the above, in unavoidable cases where adjustment of the Exercise Price becomes required after the Allotment Date, the Company shall make such adjustment to the extent reasonable and necessary.

(4) Paid-in amount for stock acquisition rights

No payment of money shall be required.

(5) Period during which stock acquisition rights may be exercised (the “Exercise Period)

The Exercise Period shall be a period of two years from the day on which two years have elapsed from the Allotment Date. However, if the last day of the Exercise Period is a non-business day of the Company, the Exercise Period shall end on the preceding business day.

- (6) Matters related to stated capital and capital reserves to be increased when shares are issued upon exercise of stock acquisition rights
- (i) The amount of stated capital to be increased when shares are issued upon exercise of the stock acquisition rights shall be a half of the maximum amount of increase in stated capital, etc. calculated in accordance with Article 17, Paragraph 1 of the Regulations on Corporate Accounting. Any fraction of less than ¥1 resulting from the calculation shall be rounded up.
 - (ii) The amount of capital reserves to be increased when shares are issued upon exercise of the stock acquisition rights shall be the amount obtained by subtracting the amount of increased stated capital specified in (i) above from the maximum amount of increase in stated capital, etc. mentioned in (i) above.
- (7) Conditions for exercising stock acquisition rights
- (i) A holder of stock acquisition rights must hold a position of Director, Audit & Supervisory Board Member, employee or counselor of the Company, or Director of the Company's subsidiaries at the time of exercising the stock acquisition rights. However, a holder of stock acquisition rights may exercise the rights even after ceasing to hold his/her position as Director, Audit & Supervisory Board Member, employee or counselor of the Company, or Director of the Company's subsidiaries in the following cases: when a Director or Audit & Supervisory Board Member retired due to expiration of his/her term of office; when an employee retired at the mandatory retirement age; when certain requirements set forth in the "Stock Acquisition Rights Allotment Agreement" executed between the Company and a holder of the stock acquisition rights are met; and when the Company's Board of Directors finds a justifiable reason.
 - (ii) In the event that a holder of stock acquisition rights died, his/her heir may not exercise the stock acquisition rights.
 - (iii) If the Closing Price of the Company's common shares in regular transactions at Tokyo Stock Exchange, Inc. exceeds 120% of the Exercise Price even once by the business day preceding the last day of the Exercise Period (if the last day of the Exercise Period is a non-business day of the Company, the Exercise Period shall end on the preceding business day), a holder of the stock acquisition rights may exercise the stock acquisition rights on and after the day following that day.
 - (iv) Other conditions for exercising stock acquisition rights shall be as set forth in the "Stock Acquisition Rights Allotment Agreement," which the Company enters into with a holder of stock acquisition rights.
- (8) Conditions for acquiring stock acquisition rights
- (i) If a holder of stock acquisition rights no longer meets the conditions for exercising the stock acquisition rights in (7) above, the Company may acquire the stock acquisition rights without consideration.
 - (ii) In the event that a proposal for approval of a merger agreement under which the Company becomes a disappearing company, or proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, is approved at a general meeting of shareholders of the Company, the Company may acquire the stock acquisition rights without consideration.
 - (iii) If a holder of stock acquisition rights offers waiver of all or part of his/her stock acquisition rights, the Company may acquire the stock acquisition rights without consideration.
- (9) Restriction on acquisition of stock acquisition rights through transfer
Acquisition of stock acquisition rights through transfer shall require approval by the Board of Directors of the Company.
- (10) Treatment of stock acquisition rights upon organizational restructuring
In the event that the Company conducts a merger (limited to the case in which the Company ceases to exist as a result of a merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (collectively "Organizational Restructuring"), except the case in which the Company acquires stock acquisition rights as specified in (8) (ii) above, the Company shall deliver stock acquisition rights of a stock company listed in Article 236, Paragraph 1, Item (viii) (a) through (e) of the Companies Act (the "Reorganized Company"), in each of the cases above, to a holder of the stock acquisition rights remaining at the time the Organizational Restructuring takes effect (the "Remaining Stock Acquisition Rights"), under the conditions below. In this case, the Remaining Stock Acquisition Rights shall cease to

exist, and the Reorganized Company shall issue new stock acquisition rights. However, the stock acquisition rights of the Reorganized Company shall be issued only if an absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan contains the provisions to the effect that the stock acquisition rights of the Reorganized Company shall be delivered in accordance with the following conditions.

- (i) Number of stock acquisition rights of the Reorganized Company to be delivered
The number shall be reasonably determined based on the number of the Remaining Stock Acquisition Rights held by the holders and in consideration of the conditions, etc. for the Organizational Restructuring.
 - (ii) Class of shares of the Reorganized Company underlying stock acquisition rights
The class of shares shall be common shares of the Reorganized Company.
 - (iii) Number of shares of the Reorganized Company underlying stock acquisition rights
The number shall be reasonably determined in consideration of the conditions, etc. for the Organizational Restructuring.
 - (iv) Amount of assets to be contributed upon exercise of stock acquisition rights
The amount shall be obtained by multiplying the amount which is reasonably determined based on the Exercise Price specified in (3) above and in consideration of the conditions, etc. for the Organizational Restructuring, by the number of shares of the Reorganized Company underlying one stock acquisition right to be delivered.
 - (v) Exercise Period of stock acquisition rights
The Exercise Period shall commence on the first day of the Exercise Period or the effective date of the Organizational Restructuring, whichever is later, and end on the last day of the Exercise Period.
 - (vi) Matters related to stated capital and capital reserves to be increased when shares are issued upon exercise of stock acquisition rights
The same as specified in (6) above.
 - (vii) Conditions for exercising stock acquisition rights
The same as specified in (7) above.
 - (viii) Restriction on acquisition of stock acquisition rights through transfer
Acquisition of stock acquisition rights through transfer shall require approval by the Board of Directors of the Reorganized Company.
 - (ix) Conditions for acquiring stock acquisition rights
The same as specified in (8) above.
- (11) Treatment of fractional shares resulting from exercise of stock acquisition rights
Any fraction less than one share in the number of shares to be delivered to a holder of stock acquisition rights shall be rounded off.
- (12) Other details of stock acquisition rights
Other than the above, subscription requirements and details for the stock acquisition rights shall be determined by resolution of the Board of Directors meeting to be held separately.