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[Paper-Based Documents for Delivery]

Securities code: 8281

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Start date of measures for electronic provision: June 4, 2025

To our shareholders:

Tomoyoshi Morohashi  
President  
**XEBIO HOLDINGS CO., LTD.**  
3-7-35 Asahi, Koriyama-shi, Fukushima

## NOTICE OF THE 53RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 53rd Ordinary General Meeting of Shareholders of XEBIO HOLDINGS CO., LTD. (the “Company”), which will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website:

<https://www.xebio.co.jp/ja/ir/general-meeting.html> (in Japanese)

Website for posted informational materials for the General Meeting of Shareholders:

<https://d.sokai.jp/8281/teiji/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Access the TSE website above, enter “XEBIO HOLDINGS” in “Issue name (company name)” or the Company’s securities code “8281” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Click “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]”) under “Documents for public inspection” to view the information.

Shareholders who are not attending this Meeting in person may exercise their voting rights in advance via the Internet or in writing (postal mail) and they are kindly requested to do so by 5:00 p.m. on Thursday, June 26, 2025 (Japan Standard Time), after reviewing the Reference Documents for the General Meeting of Shareholders.

### Exercise of Voting Rights via the Internet

Please access the website designated by the Company for the exercise of voting rights (<https://www.tosyodai54.net>), input the voting code and password stated on the voting form enclosed with this notice, follow the on-screen instructions and enter your approval or disapproval of the proposals by the deadline for voting indicated above.

### Exercise of Voting Rights in Writing (via Postal Mail)

Please indicate your approval or disapproval of the proposals on the voting form and return it so that it is received by the deadline for voting indicated above.

**1. Date and Time: Friday, June 27, 2025 at 10:00 a.m. (Japan Standard Time)**  
**(Reception start at 9:00 a.m.)**

**2. Venue:** Koriyama View Hotel Annex, 4th Floor  
10-10 Nakamachi, Koriyama-shi, Fukushima

**3. Purposes:**

**Items to be reported:**

Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 53rd fiscal year (from April 1, 2024 to March 31, 2025), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

**Items to be resolved:**

- Proposal 1:** Election of six (6) Directors  
**Proposal 2:** Election of one (1) Audit & Supervisory Board Member  
**Proposal 3:** Election of one (1) Substitute Audit & Supervisory Board Member  
**Proposal 4:** Issuance of stock acquisition rights as stock options

**4. Items Decided Prior to the Convocation of the Ordinary General Meeting of Shareholders:**

- (1) Among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, the following matters are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. The Audit & Supervisory Board Members and the Accounting Auditor have audited the documents subject to audit, including the following matters.
  - 1) Information on the Stock Acquisition Rights, etc. of the Business Report
  - 2) Company Structure and Policies of the Business Report
  - 3) Consolidated Statement of Changes in Equity
  - 4) Notes to Consolidated Financial Statements
  - 5) Non-Consolidated Statement of Changes in Equity
  - 6) Notes to Non-Consolidated Financial Statements
- (2) In case that there is no indication of approval or disapproval for the proposals on the returned voting form when exercising voting in writing (postal mail), the vote will be regarded as having indicated approval for the proposals made by the Company.
- (3) In case the voting right is exercised multiple times via the Internet, the last vote will be deemed to be the effective vote.
- (4) In case the voting rights are exercised in duplicate via the Internet or in writing, exercise of voting rights on the Internet will be deemed to be the effective vote regardless of the date and time of arrival of the vote.

- When attending this Meeting in person, please present the voting form at the venue reception.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company's website, the website for posted informational materials for the General Meeting of Shareholders, and the TSE website.

### **Dividend from surplus**

The Company, in accordance with Article 459 of the Companies Act, has stipulated that dividends from surplus can be distributed by a resolution of the Board of Directors in Article 38 of its Articles of Incorporation.

As for year-end dividend for the fiscal year under review, the Board of Directors, at its meeting held on May 9, 2025, resolved to pay dividend from surplus as described below.

1. Matters concerning allotment of dividend assets to shareholders and the total amount thereof  
17.5 yen per share of common stock  
Total amount of dividends: 727,950,248yen  
(This would result in an annual dividend of 32.5 yen per share along with the interim dividend of 15 yen per share paid on December 11, 2024.)
2. Effective date of the dividend payment from surplus  
Thursday, June 12, 2025

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Information

**Proposal 1:** Election of six (6) Directors

At the conclusion of this Meeting, the terms of office of all current six (6) Directors will expire.

Therefore, the Company proposes the election of six (6) Directors.

The candidates for Director are as follows:

No.	Name (Date of birth)	Career Summary, Significant Positions Concurrently Held Position and Responsibilities in the Company	Number of Company's Shares Held
1	Tomoyoshi Morohashi (August 28, 1964)	<p>Dec. 1994      Joined the Company</p> <p>May 2000      Corporate Officer, Deputy General Manager, Sports Business Department, Sales Division of the Company</p> <p>Jun. 2000      Director, Corporate Officer, Deputy General Manager, Sports Business Department, Sales Division of the Company</p> <p>Oct. 2001      Director, General Manager, Sports Business Department of the Company</p> <p>Jul. 2002      Managing Director, Senior General Manager, Sales Division of the Company</p> <p>Feb. 2003      President of the Company (current)</p> <p>Significant Positions Concurrently Held</p> <p>President, XEBIO Co., Ltd.</p>	1,174,050 shares
2	Takeshi Kitazawa (November 4, 1950)	<p>Apr. 1974      Joined TOMEN Corporation</p> <p>Apr. 2000      President, TOMEN Corporation, Shanghai</p> <p>Apr. 2004      General Manager, Textile Materials Division, TOMEN Corporation</p> <p>Jan. 2005      General Manager, Textile Raw Materials Division, TOMEN Corporation</p> <p>Apr. 2008      Corporate Officer, General Manager, Human Resources Development Division, Assistant to Executive Officer in charge of Personnel Affairs of the Company</p> <p>Jun. 2008      Director of the Company (current)</p> <p>Significant Positions Concurrently Held</p> <p>Auditor, Cross Tech Sports Co., Ltd.</p> <p>Auditor, Golf Partner Korea Co., Ltd.</p>	0 shares

No.	Name (Date of birth)	Career Summary, Significant Positions Concurrently Held Position and Responsibilities in the Company	Number of Company's Shares Held
3	Tsuyoshi Fujisawa (April 2, 1963)	<p>Apr. 1986      Joined MITSUI &amp; CO., LTD.</p> <p>Dec. 2012      Vice president, Senior General Manager, Sales Management Division, on secondment from MITSUI &amp; CO.,LTD.</p> <p>Jun. 2015      General Manager, West Japan CS Department, Consumer Services Division, MITSUI &amp; CO., LTD.</p> <p>Apr. 2017      Counselor, Consumer Business Division, MITSUI &amp; CO., LTD.</p> <p>Jul. 2018      Corporate Officer, XEBIO HOLDINGS CO., LTD., President and CEO, Victoria, Inc.</p> <p>May 2024      Director of the Company (current) Chairperson of the Board, Victoria, Inc. (current)</p> <p>Significant Positions Concurrently Held Chairperson of the Board, Victoria, Inc.</p>	0 shares
4	Tamotsu Iwamoto (September 25, 1950)	<p>Apr. 1974      Joined Ajinomoto Co., Inc.</p> <p>Jul. 2001      President, Ajinomoto Vietnam Co., Ltd.</p> <p>Jun. 2005      Executive Officer, General Manager, Human Resources Dept., Ajinomoto Co., Inc.</p> <p>Jun. 2009      Director, Vice President, Ajinomoto Co., Inc.</p> <p>Jun. 2011      Director, Senior Vice President, Ajinomoto Co., Inc.</p> <p>June 2015      Representative Director, Executive Vice President, Ajinomoto Co., Inc.</p> <p>June 2017      Senior Advisor, Ajinomoto Co., Inc.</p> <p>June 2019      Outside Director, Shimizu Corporation (current)</p> <p>Jun. 2021      Outside Director of the Company (current)</p> <p>Significant Positions Concurrently Held Outside Director, Shimizu Corporation</p>	1,000 shares

No.	Name (Date of birth)	Career Summary, Significant Positions Concurrently Held Position and Responsibilities in the Company	Number of Company's Shares Held
5	Tomoko Sumida (January 22, 1974)	Apr. 2001      Joined Future System Consulting Corp. Jan. 2010      Manager, Future Architect, Inc. Jan. 2011      Second and First Secretary, Embassy of Japan in Denmark, on secondment from the Ministry of Foreign Affairs Jun. 2015      Founding Managing Director, H3, Inc. (current) Apr. 2016      Vice President, Future Corporation (current) Apr. 2017      Director, CodeCamp Co., Ltd. Dec. 2018      Director, LaiBlitz, Inc. (current) Jul. 2019      Director, International Foundation for Information Technology Oct. 2019      Director, Global Ichiba Corporation (current) Nov. 2022      Senior Expert, Digital Agency (current) Jun. 2023      Outside Director of the Company (current) Significant Positions Concurrently Held Vice President, Future Corporation Senior Expert, Digital Agency	0 shares
6	Rintaro Shinohara (February 20, 1977)	Oct. 2001      Registered as attorney at law (Dai-Ichi Tokyo Bar Association) Oct. 2001      Joined Mori Sogo (current Mori Hamada & Matsumoto) Jun. 2024      Outside Director of the Company (current) Significant Positions Concurrently Held Attorney at law Partner, Mori Hamada & Matsumoto	0 shares

- Notes: 1. There is no special interest between any of the director candidates and the Company.
2. Mr. Tamotsu Iwamoto, Ms. Tomoko Sumida, and Mr. Rintaro Shinohara are candidates for Outside Director.  
The Company has notified the Tokyo Stock Exchange that Mr. Tamotsu Iwamoto and Ms. Tomoko Sumida are independent directors who are not likely to cause conflict of interest with general shareholders as mandated by the exchange.
3. Reasons for nomination as candidate for Director and expected roles  
Mr. Tomoyoshi Morohashi has extensive experience and broad insight as a corporate manager. The Company expects that his experience in various operations within the Company, along with the leadership he has demonstrated as the President of the Company, will enable him to play an adequate role in making decisions on important matters and supervising the execution of duties of the Company and its subsidiaries (the "Group"). The term of office for Mr. Tomoyoshi Morohashi as President of the Company will be twenty two (22) years at the conclusion of this Ordinary General Meeting of Shareholders.  
Mr. Takeshi Kitazawa has broad knowledge and experience in Japan and overseas he gained at a trading company, and the Company expects him to leverage this knowledge and experience in developing the overseas business and other businesses of the Group. In addition, he has experience as corporate officer in charge of personnel affairs reform and human resources development at the Company. The Company expects him to play an adequate role in making decisions on important matters and supervising the execution of duties of the Group. The term of office for Mr. Takeshi Kitazawa as Director of the Company will be seventeen (17) years at the conclusion of this Ordinary General Meeting of Shareholders.  
Mr. Tsuyoshi Fujisawa has broad insight gained from his experience at a trading company and has experience as President of the Company's subsidiary Victoria, Inc. The Company expects him to play an adequate role in making decisions on important matters and supervising the execution of duties of the Group. The term of office for Mr. Tsuyoshi Fujisawa as Director of the Company will be one (1) year at the conclusion of this Ordinary General Meeting of Shareholders.  
Mr. Tamotsu Iwamoto has extensive experience and broad knowledge as a corporate manager, based on which the Company expects him to fulfill the roles and responsibilities expected of an Outside Director including supervision of management and providing advice on overall management. The term of office for Mr. Tamotsu Iwamoto as Outside Director of the Company will be four (4) years at the conclusion of this Ordinary General Meeting of Shareholders.  
Ms. Tomoko Sumida has extensive experience and broad knowledge as a corporate officer, based on which the Company expects her to fulfill the roles and responsibilities expected of an Outside Director, such as a high level of insight related to the field of IT. The term of office for Ms. Tomoko Sumida as Outside Director of the Company will be two (2) years at the conclusion of this Ordinary General Meeting of Shareholders.

Mr. Rintaro Shinohara is a licensed attorney, and the Company expects him to leverage the knowledge and experience he has gained to date in the legal affairs of the Company, primarily in internal control. The term of office for Mr. Rintaro Shinohara as Outside Director of the Company will be one (1) year at the conclusion of this Ordinary General Meeting of Shareholders.

4. Limited Liability Agreement with Outside Directors

To allow the Company to attract effective personnel as Outside Directors, the Company's Articles of Incorporation provide that the Company may conclude an agreement with its Directors (excluding those who are executive directors, etc.) to limit their liabilities for damages to the Company within a certain range. Based on this provision, the Company has concluded the said limited liability agreements with Mr. Tamotsu Iwamoto, Ms. Tomoko Sumida, and Mr. Rintaro Shinohara.

The outline of the agreement is as described below.

- If an Outside Director is liable for damages to the Company due to negligence of his or her duties, the liability shall be limited to the minimum amount stipulated in laws and regulations.
- The above limitation of liability shall be limited to cases where the concerned Outside Director has performed his or her duties in good faith and without gross negligence.
- If the reelection of Mr. Tamotsu Iwamoto, Ms. Tomoko Sumida, and Mr. Rintaro Shinohara is approved and adopted, the Company will conclude limited liability agreements with them.

5. Directors and Officers Liability Insurance Policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance policy will cover the compensation for damages, legal fees, and other losses, which the insured party would otherwise have to bear, arising from claim for damages brought by a shareholder, a third party, or others. If the candidates are elected and appointed as Directors, they will become an insured of the said insurance policy. The Company plans to renew the insurance policy with the same contents at the time of next renewal.

**Proposal 2:** Election of one (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Hitoshi Kanno will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of one (1) Audit & Supervisory Board Member.

The proposal has been approved by the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career Summary, Significant Positions Concurrently Held Positions in the Company	Number of Company's Shares Held
Shoichi Mukaiyachi (June 21, 1958)	<div>Apr. 1977      Joined Sendai Regional Taxation Bureau</div> <div>Jul. 2012      Director, Kesenuma Tax Office</div> <div>Jul. 2013      Director, Ishinomaki Tax Office</div> <div>Jul. 2014      Section Chief, Corporate Taxation, Second Tax Division, Sendai Regional Taxation Bureau</div> <div>Jul. 2016      Section Chief, General Affairs Division, General Affairs Department</div> <div>Jul. 2017      Deputy Director, Second Tax Division, Sendai Regional Taxation Bureau</div> <div>Jul. 2018      Director, Sendai Kita Tax Office</div> <div>Sep. 2019      Registered as Certifield Tax Accountant, Head of Mukaiyachi Shoichi Tax Accounting Office (current)</div> <div>Jan. 2021      Auditor, Kotsu Shisetsu Kogyo Co., Ltd. (current)</div> <div>May 2021      Auditor, Kikuta Tougyou Co., Ltd. (current)</div> <div>Jun. 2021      Outside Auditor, XEBIO Co., Ltd. (current)</div> <div>Nov. 2021      Auditor, Taiwa Concrete Kogyo Co., Ltd. (current)</div> <div>Jun. 2024      Auditor, Morinomiya Shinkin Bank (current)</div> <div>Significant Positions Concurrently Held</div> <div>Tax Accountant</div> <div>Head of Mukaiyachi Shoichi Tax Accounting Office</div> <div>Auditor, Kotsu Shisetsu Kogyo Co., Ltd.</div> <div>Auditor, Kikuta Tougyou Co., Ltd.</div> <div>Outside Auditor, XEBIO Co., Ltd.</div> <div>Auditor, Morinomiya Shinkin Bank</div>	200 shares

- Notes:
1. There is no special interest between the candidate and the Company.
  2. Mr. Shoichi Mukaiyachi is being newly nominated as a candidate for Audit & Supervisory Board Member.
  3. Reasons for nomination as candidate for Audit & Supervisory Board Member  
The Company judges that Mr. Shoichi Mukaiyachi possesses high expertise and extensive experience as a certified tax accountant, and is expected to provide objective and highly accurate audits in both operational supervision and accounting audit. Therefore, the Company proposes his election as Audit & Supervisory Board Member.
  4. Limited Liability Agreement with Audit & Supervisory Board Members The Company's Articles of Incorporation provide that the Company may conclude an agreement with its Audit & Supervisory Board Member to limit their liabilities for damages to the Company within a certain range. Based on this provision, the Company will conclude the said limited liability agreement with Mr. Shoichi Mukaiyachi if he is appointed as Audit & Supervisory Board Member.  
The outline of the agreement is as described below.  
- If an Audit & Supervisory Board Member is liable for damages to the Company due to negligence of his or her duties, the liability shall be limited to the minimum amount stipulated in laws and regulations.  
- The above limitation of liability shall be limited to cases where the concerned Audit & Supervisory Board Member has performed his or her duties in good faith and without gross negligence.
  5. Directors and Officers Liability Insurance Policy  
The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance policy will cover the compensation for damages, legal fees, and other losses, which the insured party would otherwise have to bear, arising from claim for damages brought by a shareholder, a third party, or others. If



the reelection of Mr. Shoichi Mukaiyachi is approved and adopted, he will become an insured of the said insurance policy. The Company plans to renew the insurance policy with the same contents at the time of next renewal.

**Proposal 3:** Election of one (1) Substitute Audit & Supervisory Board Member

The Company proposes to elect one (1) substitute Audit & Supervisory Board Member in preparation for cases in which the number of Audit & Supervisory Board Members fails to meet the number prescribed by laws and regulations.

The proposal has been approved by the Audit & Supervisory Board.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career Summary, Significant Positions Concurrently Held Positions in the Company	Number of Company's Shares Held
Takeyoshi Kodaira (January 13, 1962)	Apr. 1980: Joined Sendai Regional Taxation Bureau Jul. 2015 Section Chief, Planning Division, Sendai Regional Taxation Bureau Jul. 2016 Director, Sagae Tax Office Jul. 2017 Section Chief, Collection Division, Sendai Regional Taxation Bureau Jul. 2018 Section Chief, Management and Operations Division, Sendai Regional Taxation Bureau Jul. 2020 Director, Evaluation Office, Sendai National Tax Agency Jul. 2021 Director, Sendai Kita Tax Office Sep. 2022 Registered as Certified Tax Accountant, Head of Kodaira Takeyoshi Tax Accounting Office (current)  Significant Concurrent Positions: Certified Tax Accountant, Head of Kodaira Takeyoshi Tax Accounting Office	0 shares

Notes: 1. There is no special interest between the candidate and the Company.

2. Mr. Takeyoshi Kodaira is a candidate for Substitute outside Audit & Supervisory Board Member.

3. Reasons for nomination as candidate for Substitute Audit & Supervisory Board Member

The Company expects that Mr. Takeyoshi Kodaira possesses to leverage his extensive knowledge in finance and accounting as a certified tax accountant to strengthen the company's audit system. For the aforementioned reason, the Company judges that Mr. Takeyoshi Kodaira will appropriately fulfill the duties of Substitute Audit & Supervisory Board Member although Mr. Kodaira does not have direct experience in company management. Therefore, the Company proposes his election as Substitute Audit & Supervisory Board Member.

4. Limited Liability Agreement with Audit & Supervisory Board Members The Company's Articles of Incorporation provide that the Company may conclude an agreement with its Audit & Supervisory Board Member to limit their liabilities for damages to the Company within a certain range. Based on this provision, the Company will conclude the said limited liability agreement with Mr. Takeyoshi Kodaira if he is appointed as Substitute Audit & Supervisory Board Member.

The outline of the agreement is as described below.

- If an Audit & Supervisory Board Member is liable for damages to the Company due to negligence of his or her duties, the liability shall be limited to the minimum amount stipulated in laws and regulations.

- The above limitation of liability shall be limited to cases where the concerned Audit & Supervisory Board Member has performed his or her duties in good faith and without gross negligence.

5. Directors and Officers Liability Insurance Policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance policy will cover the compensation for damages, legal fees, and other losses, which the insured party would otherwise have to bear, arising from claim for damages brought by a shareholder, a third party, or others. If Mr. Takeyoshi Kodaira is elected and appointed, he will become an insured of the said insurance policy. The Company plans to renew the insurance policy with the same contents at the time of next renewal.

[Reference] Skill Matrix of Directors and Audit & Supervisory Board Members (Planned After the Ordinary General Meeting of Shareholders to be held on June 27, 2025)

Name	Concurrently Held Positions in the Company	Expertise and Experience Possessed by the Candidates								
		Corporate management	Market	Global	M&A	IT Digital	Finance	Legal affairs Risk management	Human Resources Development Diversity	Sustainability
Tomoyoshi Morohashi	Director	●	●		●					●
Takeshi Kitazawa	Director		●	●					●	
Tsuyoshi Fujisawa	Director	●	●	●	●					
Tamotsu Iwamoto	Outside Director	●		●					●	●
Tomoko Sumida	Outside Director			●	●	●			●	
Rintaro Shinohara	Outside Director			●	●			●		
Yuuichi Hoshikawa	Audit & Supervisory Board Member		●					●	●	
Mikio Koyano	Outside Audit & Supervisory Board Member				●		●			
Shoichi Mukaiyachi	Outside Audit & Supervisory Board Member						●			

**Proposal 4:** Issuance of stock acquisition rights as stock options

This proposal seeks approval for the issuance of stock acquisition rights under preferential terms to Directors, Corporate Officers, and employees of the Company and its consolidated subsidiaries and to delegate the determination of the terms and conditions of the offer thereof to the Board of Directors of the Company pursuant to the provisions of Articles 236, 238 and 239 of the Companies Act as described below.

The issuance of the said stock acquisition rights to Directors of the Company falls under non-monetary compensation to Directors and the amount has not been finalized. The proposal, therefore, seeks approval also for the calculation method for the stock acquisition rights to be allotted as compensation.

The stock acquisition rights as stock options are aimed at enhancing motivation for improving the business performance of the Group and increasing its corporate value as well as boosting morale. The amount of compensation related to stock acquisition rights as stock options for Directors (excluding Outside Directors) shall be determined based on the business performance and the status of execution of duties by them and the level of their contribution, and is the product of the fair value per stock acquisition right on the grant date, as calculated using the Black-Scholes model, and the number of stock acquisition rights allotted.

Considering the above, the Company believes that the amount of compensation related to stock acquisition rights as stock options, its specific contents, and the details of the compensation, etc. to Directors are appropriate.

If Proposal 1 is approved, the number of Directors of the Company eligible for the allotment of the said stock acquisition rights shall be three (excluding the three Outside Directors).

The details of the stock acquisition rights are as follows.

1. The reason why the Company needs to offer the stock acquisition rights under preferential terms

The stock acquisition rights will be issued according to the following guidelines with the aim of offering incentives for improving the business performance of the Group, increasing corporate value, and boosting management awareness with a focus on shareholders.

2. Guidelines for issuance of stock acquisition rights

(1) Persons to whom stock acquisition rights will be granted

Directors, Corporate Officers, and employees of the Company and its consolidated subsidiaries

(2) Class and number of shares to be issued upon exercise of stock acquisition rights

The class of shares to be issued upon exercise of stock acquisition rights shall be the common stock of the Company.

The number of shares to be issued upon exercise of each stock acquisition right ("Number of Granted Shares") shall be 100 shares.

In the event that the Company splits its common stock (including allotment of its common stock without compensation; the same applies hereinafter) or consolidates its common stock on or after the date of grant of stock acquisition rights ("Grant Date"), the Number of Granted Shares shall be adjusted according to the formula outlined below. Provided, however, that such adjustment shall be made only to those that remain unexercised at the time of such adjustment. Any fraction of less than one share resulting from the adjustment shall be rounded down.

$$\text{Number of Granted Shares after adjustment} = \frac{\text{Number of Granted Shares before adjustment}}{\text{Ratio of stock split or consolidation}} \times$$

Number of Granted Shares after adjustment shall be applied on the following day of the record date of the stock split (if the record date is not stipulated, the effective date) in the case of stock split, and on the effective date or later in the case of stock consolidation.

However, if a stock split is carried out on the condition that a proposal to increase capital or capital reserve by reducing the amount of retained earnings is approved at the Company's Ordinary General Meeting of Shareholders and a date before the closure of the said Ordinary General Meeting of Shareholders is set as the record date for stock split, the Number of Granted Shares after adjustment shall be applied from the following day of the date on which the said Ordinary General Meeting of Shareholders closes.

Other than the above, in the event the Company carries out a merger, company split, or share exchange, or in other cases, where it becomes necessary to adjust the Number of Granted Shares for the stock acquisition rights after the Grant Date of the stock acquisition rights, the Company may make an adjustment to the Number of Granted Shares approved as necessary by its Board of Directors.

The total number of shares to be issued upon exercise of stock acquisition rights shall not exceed 300,000 shares in common stock.

However, in the event the Number of Granted Shares is adjusted, it shall be adjusted by multiplying the Number of Granted Shares after adjustment by the total number of stock acquisition rights to be issued.

(3) Number of stock acquisition rights to be issued

The number of stock acquisition rights to be issued shall not exceed 3,000 units. The upper limit of the number of stock acquisition rights granted to Directors of the Company shall be 300 units taking into consideration the status of granting of stock acquisition rights as conventional stock options as well as various other factors.

(4) Cash payment for stock acquisition rights

No cash payment is required for stock acquisition rights.

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

The amount to be contributed upon exercise of stock acquisition rights shall be the amount obtained by multiplying the amount to be paid in for each share to be issued upon exercise of such stock acquisition rights (“Exercise Price”) by the Number of Granted Shares upon exercise of such stock acquisition rights.

The Exercise Price shall be an amount obtained by multiplying the average of the closing prices for regular trading of common stock of the Company on the Tokyo Stock Exchange (the “Closing Price”) for each day (excluding days on which there was no trading) of the month preceding the month to which the Grant Date of the stock acquisition rights belongs, by 1.03, with any fraction of less than one yen being rounded up. However, if the amount is lower than the Closing Price on the Grant Date (if there was no trading on that day, the Closing Price on the day immediately preceding), the Closing Price on the Grant Date shall be the Exercise Price. In the event that the Company carries out a stock split or a consolidation of its common stock after the Grant Date, the Exercise Price shall be adjusted according to the following formula. Any fraction of less than one yen shall be rounded up.

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

In the event the Company newly issues shares of common stock or disposes of its treasury shares of common stock at a price below the current quotation (excluding the case upon exercise of the stock acquisition rights to issue new shares) after the Grant Date, the Exercise Price shall be adjusted using the following formula with any fraction less than one yen arising from the adjustment rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares outstanding} + \frac{\text{Number of shares newly issued} \times \text{Amount to be paid per share}}{\text{Market price}}}{\text{Number of shares outstanding} + \text{Number of shares newly issued}}$$

The “number of shares outstanding” provided in the above formula is derived by deducting the number of treasury shares of common stock of the Company from the total number of issued shares of common stock of the Company. In the event the Company disposes of its treasury shares of common stock, the “number of shares newly issued” shall be read as the “number of treasury shares to be disposed of.”

Other than the above, in the event the Company merges with another company, carries out a corporate split, reduces the amount of capital, or in other cases where it becomes necessary to adjust the Exercise Price for the stock acquisition rights after the Grant Date, the Exercise Price may be adjusted by the Company within the scope deemed reasonable through a resolution of the Board of Directors.

(6) Exercise period of stock acquisition rights

The exercise period shall be a period falling within five years from the day following the day on which two years have elapsed from the Grant Date of the stock acquisition rights.

- (7) Conditions and restrictions for exercise of stock acquisition rights
- (i) The holder of the stock acquisition rights must be a Director, Corporate Officer, or an employee of the Company or its consolidated subsidiaries at the time of the exercise to be eligible.
  - (ii) Inheritance of stock acquisition rights is not permitted.
  - (iii) Other conditions relating to exercise of stock acquisition rights shall be as stipulated in the stock acquisition rights allotment agreement entered into between the Company and the stock acquisition rights holder based on a resolution of the Board of Directors.
- (8) Conditions for acquisition of stock acquisition rights
- (i) If a holder of the stock acquisition rights does not satisfy the conditions for the exercise of stock acquisition rights in abovementioned (7), or is unable to exercise the rights for any other reason, the Company may acquire the stock acquisition rights without charge.
  - (ii) If a proposal for the approval of a merger agreement in which the Company will become the extinct company, a proposal for a share exchange agreement or a share transfer plan in which the Company will become a wholly-owned subsidiary, or a proposal for the approval of a split agreement or a split plan in which the Company will become a split company is approved at the Ordinary General Meeting of Shareholders, the Company may acquire stock acquisition rights without charge on a date separately stipulated by the Board of Directors.
- (9) Restriction on the acquisition of stock acquisition rights by transfer
- Any acquisition of stock acquisition rights by transfer shall require an approval of the Board of Directors of the Company by its resolution.
- (10) Matters related to amount of capital and capital reserve increased by the issuance of shares upon exercise of stock acquisition rights
- (i) The amount of capital increased by the issuance of shares upon exercise of stock acquisition rights shall be one-half of the amount of the maximum limit on the increase in capital as calculated pursuant to Article 17, paragraph (1) of the Regulations on Corporate Accounting. Any fraction of less than one yen shall be rounded up.
  - (ii) The amount of capital reserve increased by the issuance of shares upon exercise of stock acquisition rights shall be the amount of the maximum limit on the abovementioned increase in capital provided, reduced by the amount of increased capital stipulated above.
- (11) Handling of fractions
- If there is a fraction of less than one share in the number of shares to be issued to the stock acquisition right holder who exercised the stock acquisition right, such fraction shall be rounded down.
- (12) Specific method for calculating compensation to Directors, and criteria for calculating fair value of stock acquisition rights
- The specific calculation method for compensation to Directors shall be the fair value per stock acquisition right multiplied by the total number of stock acquisition rights allotted to the Company's Directors (excluding Outside Directors) in office on the Grant Date of stock acquisition rights.
- The fair value of a stock acquisition right shall be based on a fair valuation calculated using the Black-Scholes model on the basis of the Company's stock price, Exercise Price and various other conditions on the Grant Date.
- (13) Other details regarding the issuance of stock acquisition rights shall be determined through a resolution of the Board of Directors meeting to be held at a later date.