

the sharing of values with shareholders. Furthermore, at the 7th Ordinary general meeting of shareholders held on March 25, 2020, the total amount of the monetary compensation receivables paid to the target Directors as the compensation, etc. for providing shares with restriction on transfer based on this System was approved to be not more than 100 million yen (for Outside Directors not more than 10 million yen) annually, separately from the existing monetary compensation amount. Later, at the 8th Ordinary general meeting of shareholders held on March 25, 2021, the total amount of such monetary compensation receivables was approved to be revised to be not more than 500 million yen (for Outside Directors not more than 50 million yen) annually.

The following is the outline of the System.

<Outline of the System>

The shares with restriction on transfer based on the System are provided by issuing or disposing the common shares of the Company in exchange for all monetary compensation receivables contributed in kind that are paid to the target Directors.

The total number of the common shares of the Company to be issued or disposed based on the System is not more than 57,000 shares (for Outside Directors not more than 5,700 shares) annually.

(Note) As the Company split each share of its common shares into five shares on April 1, 2021, the total number of the common shares of the Company to be issued or disposed has been changed to be not more than 285,000 shares (for Outside Directors not more than 28,500 shares) annually from 57,000 shares (for Outside Directors 5,700 shares) annually.

For issuing or disposing the common shares of the Company based on the System, an agreement on allotment of shares with restriction on transfer will be concluded between the Company and the target Directors to be allotted, and contents of the agreement will include the following matters:

- ① Any target Director shall refrain from transferring, establishing a security interest on, or otherwise disposing the common shares of the Company allotted under the agreement on allotment of shares with restriction on transfer for a period designated by the Board of Directors not less than three years, or for a period from the date of the issue of said shares to the date when the relevant target Director leaves or retires from the position of the Director of the Company or other position specified by the Board of Directors of the Company.
- ② In the case of a certain situation, the Company shall acquire said common shares without compensation.

On that basis, at today's meeting of the Board of Directors, the Company resolved to issue 25,749 common shares of the Company (for Outside Directors 3,122 shares; hereinafter referred to as the "Allotted shares") in exchange for a total of 52,811,199 yen (for Outside Directors 6,403,222 yen) of monetary compensation receivables contributed in kind to four target Directors, two Senior Executive Officers and two Executive Officers (hereinafter referred to as the "target Officers"), in view of the purpose of the System, the range of the responsibilities of each target Officer, and various other circumstances.

<Outline of agreement on allotment of shares with restriction on transfer>

The following is the outline of the agreement on allotment of shares with restriction on transfer that the Company concludes individually with the target Officers for the Issue of new shares:

(1) Period of restriction on transfer

The target Officers shall not transfer, establish a security interest on, or otherwise dispose the Allotted shares from May 14, 2021 (due date of payment) to May 13, 2024.

(2) Resolutive condition of restriction on transfer

The restriction on transfer shall be lifted on the expiry date of such restriction with respect to all the Allotted shares, subject to the condition where the target Officer continuously had the position as a Director, an employee or an advisor of the Company or any of its subsidiaries during the period of restriction on transfer. However, if the target Officer loses all positions as a Director, an employee and an advisor of the Company or any of its subsidiaries during the period of restriction on transfer owing to the termination of the term, death, or other reason that

the Board of Directors of the Company finds legitimate, restriction on transfer of the Allotted shares shall be lifted in the number obtained by multiplying the number, to which the number of months from the month following the month that includes the due date of payment to the month that includes the day of such loss is divided by 36, by the number of the Allotted shares (provided, however, that, if the calculation result includes a fractional share, such fractional share is to be rounded off) at the time of such loss.

(3) Acquisition without compensation

The Company shall automatically acquire the Allotted shares of which restriction on transfer is not lifted without compensation at the expiration of the period of restriction on transfer or at the time immediately after the target Officer loses all positions as a Director, an employee and an advisor of the Company or any of its subsidiaries during the period of restriction on transfer.

(4) Management of shares

During the period of restriction on transfer, the Allotted shares shall be managed in the dedicated account for shares with restriction on transfer opened in SMBC Nikko Securities Inc. by the target Officer in order to prevent the transfer, establishment of a security interest or other disposition during such period.

(5) Handling in case of organizational restructuring, etc.

In the case where, during the period of restriction on transfer, the general meeting of shareholders of the Company (or the Board of Directors of the Company if the relevant organizational restructuring, etc. does not require the approval of the general meeting of shareholders of the Company) approves the matters concerning a merger agreement where the Company becomes the disappearing company, a share exchange agreement where the Company becomes a wholly owned subsidiary company, or other organizational restructuring such as a share transfer plan, the restriction on transfer of the Allotted shares shall be lifted in the number obtained by multiplying the number, to which the number of months from the month following the month that includes the due date of payment to the month that includes the date of the approval of organizational restructuring, etc. is divided by 36, by the number of the Allotted shares owned as of that point (provided, however, that, if the calculation result includes a fractional share, such fractional share is to be rounded off) at the time immediately before the preceding business day of the effective date of organizational restructuring, etc. in accordance with the resolution of the Board of Directors.

3. Calculation base for amount to be paid and its details

As the Issue of new shares is carried out with the monetary compensation receivables provided to the allottees based on the System as contributed assets, and the amount to be paid must be the value that excludes arbitrariness, it is 2,051 yen as the closing price of the common shares of the Company on the Tokyo Stock Exchange on April 14, 2021 (preceding business day of the date of the resolution of the Board of Directors). This is the stock price in the market immediately before the date of the resolution of the Board of Directors, and therefore, under circumstances without any exceptional situation where the recent stock price cannot be relied on, it is reasonable, reflecting the corporate value of the Company appropriately, and the Company does not believe it is deemed as an especially favorable value for the target Officers.

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