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(Stock Exchange Code 4837)

June 14, 2023

(Commencement date of measures for electronic provision: June 6, 2023)

To Shareholders with Voting Rights:

Kinichi Shida
Chairman and President
SHiDAX CORPORATION
6-3, Chofugaoka 3-chome, Chofu City,
Tokyo

NOTICE OF THE 22nd ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially notified of the 22nd Annual General Meeting of Shareholders of SHiDAX CORPORATION (the “Company”). The meeting will be held for the purposes as described below.

The Company has taken measures for electronic provision for the convocation of this General Meeting of Shareholders, and the matters subject to measures for electronic provision are posted as “NOTICE OF THE 22nd ANNUAL GENERAL MEETING OF SHAREHOLDERS” and “Other Matters Subject to Measures for Electronic Provision (Matters Omitted from Documents for Delivery)” on the Company’s website and the Tokyo Stock Exchange (TSE) website on the Internet. Please access either of the following websites and check the information.

Company’s website <https://www.shidax.co.jp/ir/stock/meeting/>

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

*In order to review the information on the TSE website, please enter the issue name (SHiDAX) or the stock exchange code (4837), search, and select “Basic information” and then “Documents for public inspection/PR information” on the TSE website above.

If you do not attend the meeting, you can exercise your voting rights in advance via the Internet or in writing (by postal mail). Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to measures for electronic provision and exercise your voting rights no later than 6:00 p.m. on Wednesday, June 28, 2023, Japan time.

- 1. Date and Time:** Thursday, June 29, 2023 at 10:00 a.m. Japan time (**Reception starts at 9:30 a.m.**) *Please note that the reception starting time has changed.
- 2. Place:** SHiDAX Culture Hall, 8F of SHiDAX Culture Village located at 12-10, Jinnan 1-chome, Shibuya-ku, Tokyo, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company’s 22nd Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditors and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 22nd Fiscal Year (April 1, 2022 - March 31, 2023)

Proposals to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
Proposal 2: Election of Five (5) Directors
Proposal 3: Election of Two (2) Substitute Audit & Supervisory Board Members

Other Matters Subject to Measures for Electronic Provision (Matters Omitted from Documents for Delivery)

(i) “Notes to the Consolidated Financial Statements” of Consolidated Financial Statements and (ii) “Notes to the Non-consolidated Financial Statements” of Non-consolidated Financial Statements are posted exclusively on the Company’s website and the TSE website mentioned on the previous page in accordance with provisions of laws and regulations as well as Article 15 of the Company’s Articles of Incorporation and therefore are not provided in this Notice.

In addition, the Business Report audited by the Audit & Supervisory Board Members as well as Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditors and Audit & Supervisory Board Members are the items listed in (i) and (ii) above, in addition to the respective documents mentioned in this Notice.

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- Please submit the enclosed Voting Rights Exercise Form at the reception desk of the venue on the day of the meeting.
- Should the matters subject to measures for electronic provision require revisions, such revisions, as well as the original and revised versions, will be posted on the Company’s website and the TSE website stated above.
- Please understand that no souvenirs will be handed out at this Annual General Meeting of Shareholders.
- Unlike the previous Annual General Meeting of Shareholders, there will be no entry restrictions based on advance registration for this meeting.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendment

In accordance with the cancellation of all Class C Preferred Shares on July 1, 2022 and all Class B Preferred Shares on August 8, 2022, the Company proposes to delete related provisions and make other requisite amendments.

2. Description of the amendment

Description of the amendment is as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendment
<p>(Total number of shares authorized to be issued by the Company)</p> <p>Article 6. The total number of shares which the Company is authorized to issue shall be 140,000,250 shares, <u>the total number of common stock which the Company is authorized to issue shall be 140,000,000 shares, the total number of Class B Preferred Shares which the Company is authorized to issue shall be 4,000 shares, the total number of Class C Preferred Shares which the Company is authorized to issue shall be 2,500 shares, and the total number of Class D Preferred Shares shall be 40,000,000 shares.</u></p> <p>(Number of shares constituting one unit)</p> <p>Article 7. The number of shares constituting one unit of shares of the Company shall be 100 shares <u>with respect to the common stock, one with respect to Class B Preferred Shares, one with respect to Class C Preferred Shares, and one with respect to Class D Preferred Shares.</u></p> <p style="text-align: center;"><Omitted></p>	<p>(Total number of shares authorized to be issued by the Company)</p> <p>Article 6. The total number of shares which the Company is authorized to issue shall be 140,000,250 shares.</p> <p>(Number of shares constituting one unit)</p> <p>Article 7. The number of shares constituting one unit of shares of the Company shall be 100 shares.</p> <p style="text-align: center;"><Omitted></p>

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<p>CHAPTER II-2. CLASS B PREFERRED SHARES</p> <p><u>(Class B Preferred Share Dividends)</u></p> <p><u>Article 11-2. When paying dividends of surplus in accordance with provisions of Article 43, the Company shall pay the amount of cash calculated by multiplying the amount paid for the Class B Preferred Shares by an annual rate of 3.0%, divided by a ratio of the actual number of days in the period from the first day of the fiscal year to which the record date of the relevant dividend belongs (however, this shall be the payment date if the record date of the relevant dividend belongs to the fiscal year ended March 31, 2020) (including this day) until the record date of the relevant dividend (including this day) to a year consisting of 365 days (however, the division shall be the final step of the calculation, and after calculating to three decimal places, the result shall be rounded to two decimal places) (hereinafter referred to as the “Class B Preferred Share Dividends”) with respect to each one share of Class B Preferred Shares, to shareholders holding Class B Preferred Shares listed or recorded in the final register of shareholders on the record date of the dividend (hereinafter referred to as the “Class B Preferred Share Shareholders”) or registered pledgees of Class B</u></p>
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Preferred Shares (hereinafter referred to as the “Registered Class B Preferred Share Pledges” and collectively with Class B Preferred Share Shareholders, the “Class B Preferred Share Shareholders, Etc.”) in accordance with the payment order provided for in Article 11-24. However, if Class B Preferred Share Interim Dividends as provided for in Article 11-3 were paid in the fiscal year to which the record date of the relevant dividend belongs, the total of such amounts shall be deducted. If the Company acquired Class B Preferred Shares during the period from the record date of the relevant dividends until the payment date of such, distribution of dividends related to the record date with respect to such Class B Preferred Shares is not required.

2. If the per-share amount of surplus paid to Class B Preferred Share Shareholders, Etc. (excluding the Cumulative Unpaid Dividends of Class B Preferred Shares defined below) in a particular fiscal year is less than the amount of the Class B Preferred Share Dividends calculated with the end date of the relevant fiscal year designated as the record date of dividend of the surplus, such shortfall (hereinafter referred to as the “Unpaid Dividends of Class B Preferred Shares”) shall accumulate in the subsequent fiscal years. The Company shall pay the accumulated Unpaid Dividends of Class B Preferred Shares (hereinafter referred to as the “Cumulative Unpaid Dividends of Class B Preferred Shares”) to Class B Preferred Share Shareholders, Etc., in accordance with the payment order provided for in Article 11-24.

3. The Company shall not pay any dividends of surplus to Class B Preferred Share Shareholders, Etc. in excess of the total amount of the Class B Preferred Share Dividends and Cumulative Unpaid Dividends of Class B Preferred Shares, except for the dividend of surplus in a process of the absorption-type company split made by the Company, as provided for in Article 758, Item 8 (b) or Article 760, Item 7 (b) of the Companies Act, or dividend of surplus in a process of the incorporation-type company split made by the Company, as provided for in Article 763, Item 12 (b) or Article 765 Paragraph 1, Item 8 (b) of the said act.

(Class B Preferred Share Interim Dividends)

Article 11-3. When paying dividends of surplus with a date other than the end date of the fiscal year designated as the record date (hereinafter referred to as the “Interim Dividend Record Date”) (hereinafter referred to as the “Interim Dividend”) in accordance with Article 44 or Article 44-2, the Company shall pay the amount of cash calculated by multiplying the amount paid for the Class B Preferred Shares by an annual rate of 3.0%, divided by a ratio of the actual number of days in the period from the first day of the fiscal year to which the relevant Interim Dividend Record Date belongs (however, this shall be the payment date if the relevant Interim Dividend Record Date belongs to the fiscal year ended March 31, 2020) (including this day) until the Interim Dividend Record Date (including this day) to a year consisting of 365 days (however, the division shall be the final step of the calculation, and after calculating to three decimal places, the result shall be rounded to two decimal places) with respect to each one share of Class B Preferred Share (hereinafter referred to as the “Class B Preferred Share Interim Dividends”), to Class B Preferred Share Shareholders, Etc. listed or recorded in the final register of shareholders on the Interim Dividend Record Date in accordance with the payment order provided for in Article 11-24. However, in the fiscal year to which the Interim Dividend Record Date belongs, if Class B Preferred Share Interim Dividends as provided for in this Article were paid before the relevant Interim Dividend, the total of such amounts shall be deducted. If the Company acquired the Class B Preferred Shares during the period from the Interim Dividend Record Date until the payment date of the relevant Interim Dividend, distribution of Interim Dividends related to the Interim Dividend Record Date with respect to such Class B Preferred Shares is not required.

(Distribution of residual assets)

Article 11-4. When distributing residual assets, the Company shall pay Class B Preferred Share Shareholders, Etc., in accordance with the payment order provided for in Article 11-24, the amount corresponding to basic redemption value as provided for in Article 11-5, Paragraph 2 less the amount corresponding to the deduction value provided for in the same paragraph, with respect to one share of Class B Preferred Shares (however, in calculation of the amount corresponding to basic redemption value and the amount corresponding to the deduction value, “redemption request date” and “preferred dividend paid before a redemption request” in the basic redemption value formula and the deduction value formula set forth in the same paragraph shall be deemed to be replaced with “residual asset distribution date” (date on which the residual assets will be distributed) and “preferred dividends paid before liquidation” (payment amount of Class B Preferred Share Dividends paid before the residual asset distribution date (including Class B Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class B Preferred Shares which were paid before the residual asset distribution date), respectively). If a preferred dividend paid before liquidation was paid multiple times, the amount corresponding to the deduction value shall be calculated for each preferred dividend paid before liquidation and the total of such amounts shall be deducted from the amount corresponding to basic redemption value.

2. No distribution of residual assets other than those provided for in the preceding paragraph shall be made to any Class B Preferred Share Shareholders, Etc.

(Redemption request right with cash payment as consideration)

Article 11-5. Class B Preferred Share Shareholders may request the Company at any time to deliver cash in exchange for acquisition of all or part of the Class B Preferred Shares with the distributable amount as a limit of acquisition (hereinafter in this chapter, referred to as the "Redemption Request"). In the case where such a request (hereinafter in this chapter, the date on which a Redemption Request is made shall be referred to as the "Redemption Request Date.") is made, the Company shall proceed with the acquisition process in accordance with laws and regulations. If the Company may acquire only part of Class B Preferred Shares for which the request is made, the number of Class B Preferred Shares to be acquired shall be determined by a pro rata method in proportion to the number of Class B Preferred Shares for which the Redemption Request is made. In addition, if the amount of cash to be delivered in exchange for the acquisition of Class B Preferred Shares for which a Redemption Request is made on the Redemption Request Date, Class C Preferred Shares for which a put option is exercised with cash as consideration on the same day, and Class D Preferred Shares for which a put option is exercised with cash as consideration on the same day exceeds the distributable amount on the Redemption Request Date, the Class B Preferred Shares, Class C Preferred Shares, and Class D Preferred Shares shall be acquired by a pro rata method in proportion to the number of the Class B Preferred Shares for which a Redemption Request is made, Class C Preferred Shares for which a put option is exercised, and Class D Preferred Shares for which a put option is exercised, only within a range in which such amount of cash does not exceed the distributable amount on the Redemption Request Date. For the Class B Preferred Shares which are not acquired according to the above method, it is deemed that a Redemption Request has not been made.

2. Acquisition value per share of Class B Preferred Shares shall be calculated using basic redemption value less deduction value and these values shall be calculated in accordance with the following formulas. If a preferred dividend paid before a Redemption Request as provided for in the following formulas was paid multiple times, the deduction value shall be calculated for each preferred dividend paid before a Redemption Request and the total of such amounts shall be deducted from the basic redemption value.

(Basic redemption value formula)

Basic redemption value = $1,000,000 \text{ yen} \times (1 + 0.03)^{m+n/365}$

The number of days which belong to the period from the payment date (including this day) until the Redemption Request Date (including this day) shall be "m years and n days."

(Deduction value formula)

Deduction value = Preferred dividends paid before a Redemption Request $\times (1 + 0.03)^{x+y/365}$

"Preferred dividend paid before a Redemption Request" shall be the amount paid for the Class B Preferred Share Dividends paid after the payment date (including the Class B Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class B Preferred Shares paid before the Redemption Request Date).

The number of days during the period from the payment date of the Class B Preferred Share Dividends (including the Class B Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class B Preferred Shares paid before the Redemption Request Date) (including this day) until the Redemption Request Date (including this day) shall be "x years and y days."

3. The Redemption Request based on Paragraph 1 of this Article shall become effective when the Redemption Request Form arrives at the head office of the Company.

(Put option with common shares as consideration)

Article 11-6. Class B Preferred Share Shareholders may request the Company at any time to deliver common shares in exchange for the acquisition of all or part of the Class B Preferred Shares held in accordance with terms specified in this Article (hereinafter referred to as the "Conversion Request" and the date on which a Conversion Request is made shall be referred to as the "Conversion Request Date.").

2. Assets to be delivered in exchange for the acquisition

(1) Based on this Article, the number of common shares to be delivered as consideration to the Class B Preferred Share Shareholders by the Company shall be calculated by the calculation method set forth as below. However, rounding down of fractions shall be finally performed and any fraction of less than one share of common shares to be delivered to Class B Preferred Share Shareholders shall be rounded down and

no adjustment with cash shall be made.

(Formula)

Number of common shares of the Company to be delivered in exchange for the acquisition of the Class B Preferred Shares = Number of the Class B Preferred Shares for which the Class B Preferred Share Shareholders request the acquisition × amount corresponding to basic redemption value set forth in Article 11-5, Paragraph 2 less the amount corresponding to the deduction value set forth in the same paragraph (however, in calculation of the amount corresponding to basic redemption value and the amount corresponding to the deduction value, “Redemption Request Date” and “preferred dividends paid before a Redemption Request” in the basic redemption value formula and the deduction value formula set forth in the same paragraph shall be deemed to be replaced with “Conversion Request Date” and “preferred dividends paid before a Conversion Request” (payment amount of Class B Preferred Share Dividends paid before the Conversion Request Date (including Class B Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class B Preferred Shares which were paid before the Conversion Request Date), respectively.) ÷ Conversion price

(2) Conversion price

a. Initial conversion price

The initial conversion price shall be 273 yen.

b. Conversion price revision

In the case where on December 31 and June 30 every year after June 30, 2021 (hereinafter referred to as the “Conversion Price Revision Date” respectively), the amount equivalent to 95% of the fair value on the Conversion Price Revision Date (hereinafter referred to as the “Revised Conversion Price”) is less than the conversion price valid immediately before that Conversion Price Revision Date by one yen or more, the conversion price shall be revised to the Revised Conversion Price after that Conversion Price Revision Date. However, if the Revised Conversion Price is less than 190 yen (hereinafter referred to as the “Minimum Conversion Price”), the Revised Conversion Price shall be the Minimum Conversion Price. In the case where the conversion price is adjusted in accordance with c. below, the similar adjustment shall be made to the Minimum Conversion Price.

The above “fair value” shall be the average of daily closing price (including closing bids or offered prices) of the common shares in regular trading at the Tokyo Stock Exchange, Inc. (hereinafter referred to as the “Tokyo Stock Exchange”) over 30 trading days (excluding a trading day or days on which no closing price or closing bid or offered price is reported; the calculation shall be performed to two decimal places, and the result shall be rounded to one decimal place.) starting from the 45th trading day prior to such Conversion Price Revision Date.

c. Conversion price adjustment

(a) In the case where the number of common shares changes or possibly changes due to any of events listed in (b) below after the issuance of the Class B Preferred Shares, the Company shall make adjustments to the conversion price (including the conversion price after revision based on b. above) according to the following formulas (hereinafter in this chapter, referred to as the “Conversion Price Adjustment Formula”).

Adjusted conversion price

= Unadjusted conversion price × (Number of common shares already issued + ((Number of common shares delivered × Amount to be paid per share) ÷ Fair value)) ÷ (Number of common shares already issued + Number of common shares delivered)

The “number of common shares already issued” used in the Conversion Price Adjustment Formula shall be the number of issued common shares of the Company as of the record date relating to each transaction in (b)(i) through (iv) below with respect to shareholders of the common shares, or if such date is not determined, the day one month prior to the day when the adjusted conversion price is applied, less the number of common shares held by the Company on the same date, to which the number of undelivered common shares deemed to be the number of common shares delivered based on (b) or (d) below before adjustment of the conversion price is added.

The “number of common shares delivered” used in the Conversion Price Adjustment Formula shall be the number of common shares increased due to a stock split (excluding the number of common shares increased with respect to common shares held by the Company as of the record date) in the case where a stock split of common shares is made and the number of common shares decreased due to a consolidation of shares (excluding the number of common shares decreased with respect to common shares held by the Company as of the effective date) which is indicated as negative value in the case where a consolidation of common shares

is made.

The “amount to be paid per share” used in the Conversion Price Adjustment Formula shall be the relevant amount to be paid in the case of (b)(i) below (appropriately appraised value in the case where nonmonetary assets are contributed and zero yen in the case of gratis allotment), zero yen in the case of (b)(ii) and (iv) below, and the amount of payment in delivering the Shares with Put Options, etc. (defined in (b)(iii) below) or other payment made for consideration (in the case of stock acquisition rights by which the delivery of common shares may be requested at consideration below the fair value, value of assets contributed in exercise thereof shall be added.) less value of assets other than common shares delivered to holders of the Shares with Put Options, etc. upon the acquisition, conversion, exchange or exercise, which is divided by the number of common shares delivered upon the acquisition, conversion, exchange or exercise (hereinafter in (b)(iii), referred to as the “Consideration”) in the case of (b)(iii) below.

(b) Cases where the conversion price of the Class B Preferred Shares is adjusted with the Conversion Price Adjustment Formula and the timing on which the adjusted conversion price is applied are provided for as below:

(i) Cases where common shares are delivered with a payment amount that is below the fair value determined in (c)(ii) below (including cases of gratis allotment) (however, this excludes cases where shares are delivered in exchange for the acquisition of shares with put options delivered by the Company, shares subject to calls, or stock acquisition rights subject to calls (including those attached to bonds with stock acquisition rights; hereinafter, the same applies in this item c.), or cases where shares are delivered upon conversion, exchange or exercise of stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter, the same applies in this item c.), or other securities or rights by which delivery of common shares may be requested)

The adjusted conversion price shall be applied from the day after the payment date (or the final day of the payment period, if a period for payment is determined in offering; hereinafter, the same applies.) or the day after the effective date of a gratis allotment of shares. However, if there is a record date for granting the right to be allotted offered shares to shareholders of common shares of the Company or gratis allotment, it shall be applied from the day after this record date.

(ii) Cases where a stock split of the common shares is conducted

The adjusted conversion price shall be applied from the day after the record date for the stock split of the common shares.

(iii) Cases where shares with put options, shares subject to calls, or stock acquisition rights subject to calls are issued with provisions whereby common shares will be delivered in exchange for acquisition thereof for the Consideration below the fair value provided for in (c)(ii) below (including cases of gratis allotment), or cases where stock acquisition rights or other securities or rights by which delivery of common shares may be requested are issued for the Consideration below the fair value determined in (c)(ii) below (including cases of gratis allotment)

The adjusted conversion price shall be calculated by applying the Conversion Price Adjustment Formula, assuming all of the shares with put options, shares subject to calls, or stock acquisition rights subject to calls, or stock acquisition rights or other securities or rights (hereinafter referred to as the “Shares with Put Options, etc.”) to be delivered have been acquired, converted, exchanged, or exercised under the initial terms and the common shares have been delivered, and the adjusted conversion price shall be applied from the day after the date of delivery or effective date of the gratis allotment. However, if there is a record date for granting the right to be allotted the Shares with Put Options, etc. to shareholders of common shares of the Company or gratis allotment, it shall be applied from the day after this record date.

Notwithstanding the provisions of the above, if the Consideration for the common shares to be delivered upon acquisition, conversion, exchange, or exercise are not determined at the above time, the adjusted conversion price shall be calculated by applying the Conversion Price Adjustment Formula, assuming that all the Shares with Put Options, etc. delivered when the Consideration is determined have been acquired, converted, exchanged, or exercised under the terms applicable when the Consideration is determined and the common shares have been delivered, and the adjusted conversion price shall be applied from the day after the Consideration is determined.

(iv) Cases where common shares are consolidated

The adjusted conversion price shall be applied after the effective date of consolidation of common shares.

(c)(i) Calculation of the Conversion Price Adjustment Formula shall be performed to two decimal places, and the result shall be rounded down to one decimal place.

(ii) The “fair value” used in the “Conversion Price Adjustment Formula” shall be the average of daily closing price (including closing bids or offered prices) of the common shares in regular trading at the Tokyo Stock Exchange over 30 trading days (excluding a trading day or days on which no closing price or closing bid or offered price is reported; the calculation shall be performed to two decimal places, and the result shall be

rounded to one decimal place.) starting from the 45th trading day prior to the date the adjusted conversion price will be applied.

(d) Apart from the cases where an adjustment of the conversion price is required as provided for in above (b), the Company shall make a necessary adjustment of the conversion price after deliberating with the Class B Preferred Share Shareholders and obtaining their unanimous consent in the case of the following events:

(i) When it is necessary to adjust the conversion price owing to a merger in which the Company is the surviving company, succession of all or part of rights and obligations of another company through an absorption-type company split made by such company, or acquisition of all outstanding shares of another stock company through a share exchange by such company;

(ii) When two or more circumstances occur one after another in which the conversion price should be adjusted, and it is necessary to consider the effect of one set of circumstances on the fair value that should be used in the calculation of the adjusted conversion price based on the other set of circumstances;

(iii) When it is necessary to adjust the conversion price owing to the occurrence of circumstances under which there is a change or possibility of change in the number of shares of the Company's common shares outstanding or other circumstances under which the conversion price shall be adjusted.

(e) If the difference between the adjusted conversion price calculated with the Conversion Price Adjustment Formula and the unadjusted conversion price is less than one yen, the conversion price will not be adjusted; provided, however, that any adjustments deemed unnecessary under the provisions of this item (e) shall be carried forward, and taken into consideration when calculating subsequent adjustments.

(f) When making adjustments to the conversion price owing to any of (a) through (e) above, the Company shall provide advance notice in writing to each of Class B Preferred Share Shareholders listed in the register of shareholders to that effect, together with the reasons thereof, the unadjusted conversion price, the adjusted conversion price, the date of application, and any other necessary information. However, if the aforementioned notice cannot be provided by the day before the date of application, the Company shall provide such notice promptly after the date of application.

3. The Conversion Request based on Paragraph 1 of this Article shall become effective when the Conversion Request Form arrives at the head office of the Company.

(Put option with Class D Preferred Shares as consideration)

Article 11-7. Class B Preferred Share Shareholders may request the Company at any time to deliver Class D Preferred Shares in exchange for the acquisition of all or part of the Class B Preferred Shares held in accordance with terms specified in this Article (hereinafter in this Article, referred to as the "Conversion Request" and the date on which a Conversion Request is made shall be referred to as the "Conversion Request Date.").

2. Assets to be delivered in exchange for the acquisition

(1) Based on this Article, the number of Class D Preferred Shares to be delivered as consideration to the Class B Preferred Share Shareholders by the Company shall be calculated by the calculation method set forth as below. However, rounding down of fractions shall be finally performed and any fraction of less than one share of Class D Preferred Shares to be delivered to Class B Preferred Share Shareholders shall be rounded down and no adjustment with cash shall be made.

(Formula)

Number of the Class D Preferred Shares of the Company to be delivered in exchange for the acquisition of the Class B Preferred Shares = Number of the Class B Preferred Shares for which the Class B Preferred Share Shareholders request the acquisition × Amount corresponding to basic redemption value set forth in Article 11-5, Paragraph 2 less the amount corresponding to the deduction value set forth in the same paragraph (however, in calculation of the amount corresponding to basic redemption value and the amount corresponding to the deduction value, "Redemption Request Date" and "preferred dividends paid before a Redemption Request" in the basic redemption value formula and the deduction value formula set forth in the same paragraph shall be deemed to be replaced with "Conversion Request Date" and "preferred dividends paid before a Conversion Request" (payment amount of Class B Preferred Share Dividends paid before the Conversion Request Date (including Class B Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class B Preferred Shares which were paid before the Conversion Request Date), respectively.) ÷ Conversion price

(2) Conversion price

a. Initial conversion price

The initial conversion price shall be 150 yen.

b. Conversion price adjustment

(a) In the case where the number of common shares changes or possibly changes due to any of events listed in (b) below after the issuance of the Class B Preferred Shares, the Company shall make adjustments to the conversion price according to the following formulas (hereinafter in this chapter, referred to as the “Conversion Price Adjustment Formula”).

Adjusted conversion price

= Unadjusted conversion price × (Number of common shares already issued + ((Number of common shares delivered × Amount to be paid per share) ÷ Fair value)) ÷ (Number of common shares already issued + Number of common shares delivered)

The “number of common shares already issued” used in the Conversion Price Adjustment Formula shall be the number of issued common shares of the Company as of the record date relating to each transaction in (b)(i) through (iv) below with respect to shareholders of the common shares, or if such date is not determined, the day one month prior to the day when the adjusted conversion price is applied, less the number of common shares held by the Company on the same date, to which the number of undelivered common shares deemed to be the number of common shares delivered based on (b) or (d) below before adjustment of the conversion price is added.

The “number of common shares delivered” used in the Conversion Price Adjustment Formula shall be the number of common shares increased due to a stock split (excluding the number of common shares increased with respect to common shares held by the Company as of the record date) in the case where a stock split of common shares is made and the number of common shares decreased due to a consolidation of shares (excluding the number of common shares decreased with respect to common shares held by the Company as of the effective date) which is indicated as negative value in the case where a consolidation of common shares is made.

The “amount to be paid per share” used in the Conversion Price Adjustment Formula shall be the relevant amount to be paid in the case of (b)(i) below (appropriately appraised value in the case where nonmonetary assets are contributed and zero yen in the case of gratis allotment), zero yen in the case of (b)(ii) and (iv) below, and the amount of payment in delivering the Shares with Put Options, etc. (defined in (b)(iii) below) or other payment made for consideration (in the case of stock acquisition rights by which the delivery of common shares may be requested at consideration below the fair value, value of assets contributed in exercise thereof shall be added.) less value of assets other than common shares delivered to holders of the Shares with Put Options, etc. upon the acquisition, conversion, exchange or exercise, which is divided by the number of common shares delivered upon the acquisition, conversion, exchange or exercise (hereinafter in (b)(iii), referred to as the “Consideration”) in the case of (b)(iii) below.

(b) Cases where the conversion price of the Class B Preferred Shares is adjusted with the Conversion Price Adjustment Formula and the timing on which the adjusted conversion price is applied are provided for as below:

(i) Cases where common shares are delivered with a payment amount that is below the fair value determined in (c)(ii) below (including cases of gratis allotment) (however, this excludes cases where shares are delivered in exchange for the acquisition of shares with put options delivered by the Company, shares subject to calls, or stock acquisition rights subject to calls (including those attached to bonds with stock acquisition rights; hereinafter, the same applies in this item b.), or cases where shares are delivered upon conversion, exchange or exercise of stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter, the same applies in this item b.), or other securities or rights by which delivery of common shares may be requested)

The adjusted conversion price shall be applied from the day after the payment date (or the final day of the payment period, if a period for payment is determined in offering; hereinafter, the same applies.) or the day after the effective date of a gratis allotment of shares. However, if there is a record date for granting the right to be allotted offered shares to shareholders of common shares of the Company or gratis allotment, it shall be applied from the day after this record date.

(ii) Cases where a stock split of the common shares is conducted

The adjusted conversion price shall be applied from the day after the record date for the stock split of the common shares.

(iii) Cases where shares with put options, shares subject to calls, or stock acquisition rights subject to calls are issued with provisions whereby common shares will be delivered in exchange for acquisition thereof for the Consideration below the fair value provided for in (c)(ii) below (including cases of gratis allotment), or cases where stock acquisition rights or other securities or rights by which delivery of common shares may be requested are issued for the Consideration below the fair value determined in (c)(ii) below (including cases of gratis allotment)

The adjusted conversion price shall be calculated by applying the Conversion Price Adjustment Formula, assuming all of the shares with put options, shares subject to calls, or stock acquisition rights subject to calls, or stock acquisition rights or other securities or rights (hereinafter referred to as the "Shares with Put Options, etc.") to be delivered have been acquired, converted, exchanged, or exercised under the initial terms and the common shares have been delivered, and the adjusted conversion price shall be applied from the day after the date of delivery or effective date of the gratis allotment. However, if there is a record date for granting the right to be allotted the Shares with Put Options, etc. to shareholders of common shares of the Company or gratis allotment, it shall be applied from the day after this record date.

Notwithstanding the provisions of the above, if the Consideration for the common shares to be delivered upon acquisition, conversion, exchange, or exercise are not determined at the above time, the adjusted conversion price shall be calculated by applying the Conversion Price Adjustment Formula, assuming that all the Shares with Put Options, etc. delivered when the Consideration is determined have been acquired, converted, exchanged, or exercised under the terms applicable when the Consideration is determined and the common shares have been delivered, and the adjusted conversion price shall be applied from the day after the Consideration is determined.

(iv) Cases where common shares are consolidated

The adjusted conversion price shall be applied after the effective date of consolidation of common shares.

(c)(i) Calculation of the Conversion Price Adjustment Formula shall be performed to two decimal places, and the result shall be rounded down to one decimal place.

(ii) The "fair value" used in the "Conversion Price Adjustment Formula" shall be the average of daily closing price (including closing bids or offered prices) of the common shares in regular trading at the Tokyo Stock Exchange over 30 trading days (excluding a trading day or days on which no closing price or closing bid or offered price is reported; the calculation shall be performed to two decimal places, and the result shall be rounded to one decimal place.) starting from the 45th trading day prior to the date the adjusted conversion price will be applied.

(d) Apart from the cases where an adjustment of the conversion price is required as provided for in above (b), the Company shall make a necessary adjustment of the conversion price after deliberating with the Class B Preferred Share Shareholders and obtaining their unanimous consent in the case of the following events:

(i) When it is necessary to adjust the conversion price owing to a merger in which the Company is the surviving company, succession of all or part of rights and obligations of another company through an absorption-type company split made by such company, or acquisition of all outstanding shares of another stock company through a share exchange by such company;

(ii) When two or more circumstances occur one after another in which the conversion price should be adjusted, and it is necessary to consider the effect of one set of circumstances on the fair value that should be used in the calculation of the adjusted conversion price based on the other set of circumstances;

(iii) When it is necessary to adjust the conversion price owing to the occurrence of circumstances under which there is a change or possibility of change in the number of shares of the Company's common shares outstanding or other circumstances under which the conversion price shall be adjusted.

(e) If the difference between the adjusted conversion price calculated with the Conversion Price Adjustment Formula and the unadjusted conversion price is less than one yen, the conversion price will not be adjusted; provided, however, that any adjustments deemed unnecessary under the provisions of this item (e) shall be carried forward, and taken into consideration when calculating subsequent adjustments.

(f) When making adjustments to the conversion price owing to any of (a) through (e) above, the Company shall provide advance notice in writing to each of Class B Preferred Share Shareholders listed in the register of shareholders to that effect, together with the reasons thereof, the unadjusted conversion price, the adjusted conversion price, the date of application, and any other necessary information. However, if the aforementioned notice cannot be provided by the day before the date of application, the Company shall provide such notice promptly after the date of application.

3. The Conversion Request based on Paragraph 1 of this Article shall become effective when the Conversion Request Form arrives at the head office of the Company.

(Voting rights)

Article 11-8. Class B Preferred Share Shareholders shall not possess any voting rights at the general meeting of shareholders, unless otherwise provided for in laws and regulations.

(Consolidation or split of shares, etc.)

Article 11-9. Unless otherwise provided for in laws and regulations, the Company shall not conduct a consolidation or split of shares in regard to the Class B Preferred Shares. Class B Preferred Share Shareholders shall not be granted the right to be allotted shares offered or stock acquisition rights offered, and no gratis allotment of shares or stock acquisition rights shall be conducted for these shareholders.

CHAPTER II-3. CLASS C PREFERRED SHARES

(Class C Preferred Share Dividends)

Article 11-10. When paying dividends of surplus in accordance with provisions of Article 43, the Company shall pay the total amount of Class C First Preferred Share Dividends and Class C Second Preferred Share Dividends (hereinafter referred to as the "Class C Preferred Share Dividends") in cash with respect to each one share of Class C Preferred Shares, to shareholders holding Class C Preferred Shares listed or recorded in the final register of shareholders on the record date of the dividend (hereinafter referred to as the "Class C Preferred Share Shareholders") or registered pledgees of Class C Preferred Shares (hereinafter referred to as the "Registered Class C Preferred Share Pledgees" and collectively with Class C Preferred Share Shareholders, "Class C Preferred Share Shareholders, Etc.") in accordance with the payment order provided for in Article 11-24. The amount of Class C First Preferred Share Dividends per share of the Class C Preferred Shares shall be the amount calculated by multiplying the amount paid for the Class C Preferred Shares by an annual rate of 4.0%, divided by a ratio of the actual number of days in the period from the first day of the fiscal year to which the record date of the relevant dividend belongs (however, this shall be the payment date if the record date of the relevant dividend belongs to the fiscal year ended March 31, 2020) (including this day) until the record date of the relevant dividend (including this day) to a year consisting of 365 days (however, the division shall be the final step of the calculation, and after calculating to three decimal places, the result shall be rounded to two decimal places), and the amount of Class C Second Preferred Share Dividends per share of the Class C Preferred Shares shall be the amount calculated by multiplying the amount paid for the Class C Preferred Shares by an annual rate of 4.0%, divided by a ratio of the actual number of days in the period from the first day of the fiscal year to which the record date of the relevant dividend belongs (however, this shall be the payment date if the record date of the relevant dividend belongs to the fiscal year ended March 31, 2020) (including this day) until the record date of the relevant dividend (including this day) to a year consisting of 365 days (however, the division shall be the final step of the calculation, and after calculating to three decimal places, the result shall be rounded to two decimal places). However, if the Class C First Preferred Share Interim Dividends or the Class C Second Preferred Share Interim Dividends as provided for in Article 11-11 were paid in the fiscal year to which the record date of the relevant dividend belongs, the total amount of the Class C First Preferred Share Interim Dividends or the total amount of the Class C Second Preferred Share Interim Dividends paid in the fiscal year to which the record date of the relevant dividends belongs shall be deducted from the Class C First Preferred Share Dividends or the Class C Second Preferred Share Dividends. In addition, if the Company acquired Class C Preferred Shares during the period from the record date of relevant dividends until payment of such, distribution of dividends related to the record date with respect to such Class C Preferred Shares is not required.

2. If the per-share amount of surplus paid to Class C Preferred Share Shareholders, Etc. (excluding the Cumulative Unpaid Dividends of Class C Preferred Shares defined below) in a particular fiscal year is less than the amount of the Class C Preferred Share Dividends calculated with the end date of the relevant fiscal year designated as the record date of dividend of the surplus, such shortfall (hereinafter referred to as the "Unpaid Dividends of Class C Preferred Shares") shall accumulate in the subsequent fiscal years. The Company shall pay the accumulated Unpaid Dividends of Class C Preferred Shares (hereinafter, an accumulated shortfall for the Class C First Preferred Share Dividends shall be referred to as the "Cumulative Unpaid Dividends of Class C First Preferred Shares," an accumulated shortfall for the Class C Second Preferred Share Dividends shall be referred to as the "Cumulative Unpaid Dividends of Class C Second Preferred Shares," and "Cumulative Unpaid Dividends of Class C First Preferred Shares" and "Cumulative Unpaid Dividends of Class C Second Preferred Shares" shall be collectively referred to as the "Cumulative Unpaid Dividends of Class C Preferred Shares." The amount of the Cumulative Unpaid Dividends of Class C Preferred Shares shall be the total of the Cumulative Unpaid Dividends of Class C First Preferred Shares and the "Cumulative Unpaid Dividends of Class C Second Preferred Shares.") to Class C Preferred Share Shareholders, Etc., in accordance with the payment order provided for in Article 11-24.

3. The Company shall not pay any dividends of surplus to Class C Preferred Share Shareholders, Etc. in

excess of the total amount of the Class C Preferred Share Dividends and Cumulative Unpaid Dividends of Class C Preferred Shares except for dividends of surplus in a process of the absorption-type company split made by the Company, as provided for in Article 758, Item 8 (b) or Article 760, Item 7 (b) of the Companies Act, or dividends of surplus in a process of the incorporation-type company split made by the Company, as provided for in Article 763, Item 12 (b) or Article 765, Paragraph 1, Item 8 (b) of the said act.

(Class C Preferred Share Interim Dividends)

Article 11-11. When paying Interim Dividends in accordance with Article 44 or Article 44-2, the Company shall pay the total amount of the Class C First Preferred Share Interim Dividends and the Class C Second Preferred Share Interim Dividends in cash with respect to each one share of Class C Preferred Shares (hereinafter referred to as the “Class C Preferred Share Interim Dividends”), to Class C Preferred Share Shareholders, Etc. listed or recorded in the final register of shareholders on the Interim Dividend Record Date in accordance with the payment order provided for in Article 11-24. The amount of the Class C First Preferred Share Interim Dividends per share of the Class C Preferred Shares shall be the amount calculated by multiplying the amount paid for the Class C Preferred Shares by an annual rate of 4.0%, divided by a ratio of the actual number of days in the period from the first day of the fiscal year to which the Interim Dividend Record Date belongs (however, this shall be the payment date if the relevant Interim Dividend Record Date belongs to the fiscal year ended March 31, 2020) (including this day) until the Interim Dividend Record Date (including this day) to a year consisting of 365 days (however, the division shall be the final step of the calculation, and after calculating to three decimal places, the result shall be rounded to two decimal places). The amount of the Class C Second Preferred Share Interim Dividends per share of the Class C Preferred Shares shall be the amount calculated by multiplying the amount paid for the Class C Preferred Shares by an annual rate of 4.0%, divided by a ratio of the actual number of days in the period from the first day of the fiscal year to which the Interim Dividend Record Date belongs (however, this shall be the payment date if the relevant Interim Dividend Record Date belongs to the fiscal year ended March 31, 2020) (including this day) until the relevant Interim Dividend Record Date (including this day) to a year consisting of 365 days (however, the division shall be the final step of the calculation, and after calculating to three decimal places, the result shall be rounded to two decimal places). However, in the fiscal year to which the relevant Interim Dividend Record Date belongs, if Class C First Preferred Share Interim Dividends or Class C Second Preferred Share Interim Dividends as provided for in this Article were paid before the relevant Interim Dividend, the total of Class C First Preferred Share Interim Dividends or the total of Class C Second Preferred Share Interim Dividends which were paid before such Interim Dividend shall be deducted from the Class C First Preferred Share Interim Dividends or the Class C Second Preferred Share Interim Dividends, respectively. In addition, if the Company acquired the Class C Preferred Shares during the period from the Interim Dividend Record Date until the payment date of the Interim Dividend, distribution of Interim Dividends related to the relevant Interim Dividend Record Date with respect to said Class C Preferred Shares is not required.

(Distribution of residual assets)

Article 11-12. When distributing residual assets, the Company shall pay Class C Preferred Share Shareholders, Etc., in accordance with the payment order provided for in Article 11-24, the amount corresponding to basic redemption value as provided for in Article 11-13, Paragraph 2 less the amount corresponding to the deduction value provided for in the same paragraph, with respect to one share of Class C Preferred Shares (however, in calculation of the amount corresponding to basic redemption value and the amount corresponding to the deduction value, “Redemption Request Date” and “preferred dividends paid before a Redemption Request” in the basic redemption value formula and the deduction value formula set forth in the same paragraph shall be deemed to be replaced with “residual asset distribution date” (date on which the residual assets will be distributed) and “preferred dividends paid before liquidation” (payment amount of Class C Preferred Share Dividends paid before the residual asset distribution date (including Class C Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class C Preferred Shares which were paid before the residual asset distribution date), respectively). If a preferred dividend paid before liquidation was paid multiple times, the amount corresponding to the deduction value shall be calculated for each preferred dividend paid before liquidation and the total of such amounts shall be deducted from the amount corresponding to basic redemption value.

2. No distribution of residual assets other than those provided for in the preceding paragraph shall be made to any Class C Preferred Share Shareholders, Etc.

(Redemption request right with cash payment as consideration)

Article 11-13. Class C Preferred Share Shareholders may request the Company at any time to deliver cash in exchange for acquisition of all or part of the Class C Preferred Shares with the distributable amount as a limit of acquisition (hereinafter in this chapter, referred to as the “Redemption Request”). In the case where such a request (hereinafter in this chapter, the date on which a Redemption Request is made shall be referred to as the “Redemption Request Date.”) is made, the Company shall proceed with the acquisition process in accordance with laws and regulations. If the Company may acquire only part of Class C Preferred Shares for which the request is made, the number of Class C Preferred Shares to be acquired shall be determined by a pro rata method in proportion to the number of Class C Preferred Shares for which the Redemption Request is made. In addition, if the amount of cash to be delivered in exchange for the acquisition of Class C Preferred Shares for which a Redemption Request is made on the Redemption Request Date, Class B Preferred Shares for which a put option is exercised with cash as consideration on the same day, and Class D Preferred Shares for which a put option is exercised with cash as consideration on the same day exceeds the distributable amount on the Redemption Request Date, the Class C Preferred Shares, Class B Preferred Shares, and Class D Preferred Shares shall be acquired by a pro rata method in proportion to the number of the Class C Preferred Shares for which a Redemption Request is made, Class B Preferred Shares for which a put option is exercised, and Class D Preferred Shares for which a put option is exercised, only within a range in which such amount of cash does not exceed the distributable amount on the Redemption Request Date. For the Class C Preferred Shares which are not acquired according to the above method, it is deemed that a Redemption Request has not been made.

2. Acquisition value per share of Class C Preferred Shares shall be calculated using basic redemption value less deduction value and these values shall be calculated in accordance with the following formulas. If a preferred dividend paid before a Redemption Request as provided for in the following formulas was paid multiple times, the deduction value shall be calculated for each preferred dividend paid before a Redemption Request and the total of such amounts shall be deducted from the basic redemption value.

(Basic redemption value formula)

Basic redemption value = 1,000,000 yen $\times (1 + 0.08)^{m+n/365}$

The number of days which belong to the period from the payment date (including this day) until the Redemption Request Date (including this day) shall be “m years and n days.”

(Deduction value formula)

Deduction value = Preferred dividends paid before a Redemption Request $\times (1 + 0.08)^{x+y/365}$

“Preferred dividend paid before a Redemption Request” shall be the amount paid for the Class C Preferred Share Dividends paid after the payment date (including the Class C Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class C Preferred Shares paid before the Redemption Request Date).

The number of days during the period from the payment date of the Class C Preferred Share Dividends (including the Class C Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class C Preferred Shares paid before the Redemption Request Date) (including this day) until the Redemption Request Date (including this day) shall be “x years and y days.”

3. The Redemption Request based on Paragraph 1 of this Article shall become effective when the Redemption Request Form arrives at the head office of the Company.

(Call provision with cash payment as consideration)

Article 11-14. On any date, which is separately determined by the Board of Directors of the Company, from the day after June 30, 2022 (hereinafter in this Article, referred to as the “Mandatory Redemption Date”), the Company may acquire all or part of Class C Preferred Shares with the distributable amount as a limit of acquisition, in exchange for a cash payment. If acquiring part of the Class C Preferred Shares, the number of Class C Preferred Shares to be acquired from each of Class C Preferred Shares Shareholders shall be determined by a pro rata method in accordance with the number of Class C Preferred Shares held by Class C Preferred Shares Shareholders on the Mandatory Redemption Date. Acquisition value per share of Class C Preferred Shares shall be the amount corresponding to basic redemption value set forth in the Article 11-13 less the amount corresponding to the deduction value set forth in the same paragraph (however, in calculation of the amount corresponding to basic redemption value and the amount corresponding to the deduction value, “Redemption Request Date” and “preferred dividends paid before a Redemption Request” in the basic redemption value formula and the deduction value formula set forth in the same paragraph shall be deemed to be replaced with “Mandatory Redemption Date” and “preferred dividends paid before the mandatory

redemption” (payment amount of Class C Preferred Share Dividends paid before the Mandatory Redemption Date (including Class C Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class C Preferred Share which were paid before the Mandatory Redemption Date), respectively.).

If a preferred dividend paid before a mandatory redemption was paid multiple times, the amount corresponding to the deduction value shall be calculated for each preferred dividend paid before the mandatory redemption and the total of such amounts shall be deducted from the amount corresponding to basic redemption value.

(Voting rights)

Article 11-15. Class C Preferred Shares Shareholders shall not possess any voting rights at the general meeting of shareholders, unless otherwise provided for in laws and regulations.

(Consolidation or split of shares, etc.)

Article 11-16. Unless otherwise provided for in laws and regulations, the Company shall not conduct a consolidation or split of shares in regard to the Class C Preferred Shares. Class C Preferred Shares Shareholders shall not be granted the right to be allotted shares offered or stock acquisition rights offered, and no gratis allotment of shares or stock acquisition rights shall be conducted for these shareholders.

CHAPTER II-4. CLASS D PREFERRED SHARES

(Class D Preferred Share Dividends)

Article 11-17. When paying dividends of surplus in accordance with provisions of Article 43, the Company shall pay the amount of cash calculated by multiplying the amount paid for the Class D Preferred Shares (however, if the Class D Preferred Shares were issued through exercising a put option (conversion request right) of the Class B Preferred Shares with the Class D Preferred Shares as consideration, this shall be the conversion price applied upon exercising such put option. The same applies hereinafter.) by an annual rate of 3.0%, divided by a ratio of the actual number of days in the period from the first day of the fiscal year to which the record date of the relevant dividend belongs (however, this shall be the payment date if the record date of the relevant dividend belongs to the fiscal year ending immediately after the payment date of the relevant Class D Preferred Shares (however, if the relevant Class D Preferred Shares were issued through exercising a put option (conversion request right) of the Class B Preferred Shares with the Class D Preferred Shares as consideration, this shall be the Conversion Request Date (defined in Article 11-7) related to an exercise of such put option. The same applies hereinafter.)) (including this day) until the record date of the relevant dividend (including this day) to a year consisting of 365 days (however, the division shall be the final step of the calculation, and after calculating to three decimal places, the result shall be rounded to two decimal places) with respect to each one share of Class D Preferred Shares (hereinafter referred to as the “Class D Preferred Share Dividends”), to shareholders holding Class D Preferred Shares (hereinafter listed or recorded in the final register of shareholders on the record date of the dividend (hereinafter referred to as the “Class D Preferred Share Shareholders”) or registered pledgees of Class D Preferred Shares (hereinafter referred to as the “Registered Class D Preferred Share Pledgees” and collectively with Class D Preferred Share Shareholders, “Class D Preferred Share Shareholders, Etc.”) in accordance with the payment order provided for in Article 11-24. However, if the Class D Preferred Share Interim Dividends as provided for in Article 11-18 were paid in the fiscal year to which the record date of the relevant dividend belongs, the total of such amounts shall be deducted. In addition, if the Company acquired Class D Preferred Shares during the period from the record date of the relevant dividends of its surplus until payment of such, distribution of dividends of its surplus related to the record date with respect to such Class D Preferred Shares is not required.

2. If the per-share amount of surplus paid to Class D Preferred Share Shareholders, Etc. (excluding the Cumulative Unpaid Dividends of Class D Preferred Shares defined below) in a particular fiscal year is less than the amount of the Class D Preferred Share Dividends calculated with the end date of the relevant fiscal year designated as the record date of dividend of the surplus, such shortfall (hereinafter referred to as the “Unpaid Dividends of Class D Preferred Shares”) shall accumulate in the subsequent fiscal years. The Company shall pay the accumulated Unpaid Dividends of Class D Preferred Shares (hereinafter referred to as the “Cumulative Unpaid Dividends of Class D Preferred Shares.”) to Class D Preferred Share Shareholders, Etc., in accordance with the payment order provided for in Article 11-24.

3. The Company shall not pay any dividends of surplus to Class D Preferred Share Shareholders, Etc. in excess of the total amount of the Class D Preferred Share Dividends and Cumulative Unpaid Dividends of Class D Preferred Shares, except for dividends of surplus in a process of the absorption-type company split made by the Company, as provided for in Article 758, Item 8 (b) or Article 760, Item 7 (b) of the Companies Act, or dividends of surplus in a process of the incorporation-type company split made by the Company, as provided for in Article 763, Item 12 (b) or Article 765 Paragraph 1, Item 8 (b) of the said act.

(Class D Preferred Share Interim Dividends)

Article 11-18. When paying Interim Dividends in accordance with Article 44 or Article 44-2, the Company shall pay the amount of cash calculated by multiplying the amount paid for the Class D Preferred Shares by an annual rate of 3.0%, divided by a ratio of the actual number of days in the period from the first day of the fiscal year to which the relevant Interim Dividend Record Date belongs (however, this shall be the payment date if the Interim Dividend Record Date belongs to the fiscal year ending immediately after the payment date of the Class D Preferred Shares) (including this day) until the relevant Interim Dividend Record Date (including this day) to a year consisting of 365 days (however, the division shall be the final step of the calculation, and after calculating to three decimal places, the result shall be rounded to two decimal places) with respect to each one share of Class D Preferred Share (hereinafter referred to as the "Class D Preferred Share Interim Dividends"), to Class D Preferred Share Shareholders, Etc. listed or recorded in the final register of shareholders on the Interim Dividend Record Date in accordance with the payment order provided for in Article 11-24. However, in the fiscal year to which the Interim Dividend Record Date belongs, if Class D Preferred Share Interim Dividends as provided for in this Article were paid before the relevant Interim Dividend, the total of such amounts shall be deducted. In addition, if the Company acquired the Class D Preferred Shares during the period from the relevant Interim Dividend Record Date until the payment date of the relevant Interim Dividend, distribution of Interim Dividends related to the relevant Interim Dividend Record Date with respect to said Class D Preferred Shares is not required.

(Distribution of residual assets)

Article 11-19. When distributing residual assets, the Company shall pay Class D Preferred Share Shareholders, Etc., in accordance with the payment order provided for in Article 11-24, the amount corresponding to basic redemption value as provided for in Article 11-20, Paragraph 2 less the amount corresponding to the deduction value provided for in the same paragraph, with respect to one share of Class D Preferred Shares (however, in calculation of the amount corresponding to basic redemption value and the amount corresponding to the deduction value, "Redemption Request Date" and "preferred dividends paid before a Redemption Request" in the basic redemption value formula and the deduction value formula set forth in the same paragraph shall be deemed to be replaced with "residual asset distribution date" (date on which the residual assets will be distributed) and "preferred dividends paid before liquidation" (payment amount of Class D Preferred Share Dividends paid before the residual asset distribution date (including Class D Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class D Preferred Share which were paid before the residual asset distribution date), respectively). If a preferred dividend paid before liquidation was paid multiple times, the amount corresponding to the deduction value shall be calculated for each preferred dividend paid before liquidation and the total of such amounts shall be deducted from the amount corresponding to basic redemption value.

2. No distribution of residual assets other than those provided for in the preceding paragraph shall be made to any Class D Preferred Share Shareholders, Etc.

(Redemption request right with cash payment as consideration)

Article 11-20. Class D Preferred Share Shareholders may request the Company at any time to deliver cash in exchange for acquisition of all or part of the Class D Preferred Shares with the distributable amount as a limit of acquisition (hereinafter in this chapter, referred to as the "Redemption Request"). In the case where such a request (hereinafter in this chapter, the date on which a Redemption Request is made shall be referred to as the "Redemption Request Date.") is made, the Company shall proceed with the acquisition process in accordance with laws and regulations. If the Company may acquire only part of Class D Preferred Shares for which the request is made, the number of Class D Preferred Shares to be acquired shall be determined by a pro rata method in proportion to the number of Class D Preferred Shares for which the Redemption Request is made. In addition, if the amount of cash to be delivered in exchange for the acquisition of Class D Preferred Shares for which a Redemption Request is made on the Redemption Request Date, Class B Preferred Shares for which a put option is exercised with cash as consideration on the same day, and Class C Preferred Shares for which a put option is exercised with cash as consideration on the same day exceeds the distributable amount on the Redemption Request Date, the Class D Preferred Shares, Class B Preferred Shares, and Class C Preferred Shares shall be acquired by a pro rata method in proportion to the number of the Class D Preferred Shares for which a Redemption Request is made, Class B Preferred Shares for which a put option is exercised, and Class C Preferred Shares for which a put option is exercised, only within a range in which such amount of cash does not exceed the distributable amount on the Redemption Request Date. For the Class D Preferred Shares which are not acquired according to the above method, it is deemed that a Redemption Request has not been made.

2. Acquisition value per share of Class D Preferred Shares shall be calculated using basic redemption value less deduction value and these values shall be calculated in accordance with the following formulas. If a preferred dividend paid before a Redemption Request as provided for in the following formulas was paid multiple times, the deduction value shall be calculated for each preferred dividend paid before a Redemption Request and the total of such amounts shall be deducted from the basic redemption value.

(Basic redemption value formula)

Basic redemption value = Amount paid per share of the Class D Preferred Shares $\times (1 + 0.03)^{m+n/365}$

The number of days which belong to the period from the payment date (including this day) until the Redemption Request Date (including this day) shall be “m years and n days.”

(Deduction value formula)

Deduction value = Preferred dividends paid before a Redemption Request $\times (1 + 0.03)^{x+y/365}$

“Preferred dividend paid before a Redemption Request” shall be the amount paid for the Class D Preferred Share Dividends paid after the payment date (including the Class D Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class D Preferred Shares paid before the Redemption Request Date).

The number of days during the period from the payment date of the Class D Preferred Share Dividends (including the Class D Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class D Preferred Shares paid before the Redemption Request Date) (including this day) until the Redemption Request Date (including this day) shall be “x years and y days.”

3. The Redemption Request based on Paragraph 1 of this Article shall become effective when the Redemption Request Form arrives at the head office of the Company.

(Put Option with common shares as consideration)

Article 11-21. Class D Preferred Share Shareholders may request the Company at any time to deliver common shares in exchange for the acquisition of all or part of the Class D Preferred Shares held in accordance with terms specified in this Article (hereinafter referred to as the “Conversion Request” and the date on which a Conversion Request is made shall be the referred to as the “Conversion Request Date.”).

2. Assets to be delivered in exchange for the acquisition

(1) Based on this Article, the number of common shares to be delivered as consideration to the Class D Preferred Share Shareholders by the Company shall be calculated by the calculation method set forth as below. However, rounding down of fractions shall be finally performed and any fraction of less than one share of common shares to be delivered to Class D Preferred Share Shareholders shall be rounded down and no adjustment with cash shall be made.

(Formula)

Number of common shares of the Company to be delivered in exchange for the acquisition of the Class D Preferred Shares

= Number of the Class D Preferred Shares for which the Class D Preferred Share Shareholders request the acquisition \times Amount corresponding to basic redemption value set forth in Article 11-20, Paragraph 2 less the amount corresponding to the deduction value set forth in the same paragraph (however, in calculation of the amount corresponding to basic redemption value and the amount corresponding to the deduction value, “Redemption Request Date” and “preferred dividends paid before a Redemption Request” in the basic redemption value formula and the deduction value formula set forth in the same paragraph shall be deemed to be replaced with “Conversion Request Date” and “preferred dividends paid before a Conversion Request” (payment amount of Class D Preferred Share Dividends paid before the Conversion Request Date (including Class D Preferred Share Interim Dividends and Cumulative Unpaid Dividends of Class D Preferred Share which were paid before the Conversion Request Date), respectively.) \div Conversion price

(2) Conversion price

a. Initial conversion price

The initial conversion price shall be the amount to be paid per share of the Class D Preferred Shares.

b. Conversion price adjustment

(a) In the case where the number of common shares changes or possibly changes due to any of events listed in (b) below after the issuance of the Class D Preferred Shares, the Company shall make adjustments to the conversion price according to the following formulas (hereinafter in this chapter, referred to as the “Conversion Price Adjustment Formula”).

Adjusted conversion price

= Unadjusted conversion price × (Number of common shares already issued + ((Number of common shares delivered × Amount to be paid per share) ÷ fair value)) ÷ (Number of common shares already issued + Number of common shares delivered)

The “number of common shares already issued” used in the Conversion Price Adjustment Formula shall be the number of issued common shares of the Company as of the record date relating to each transaction in (b)(i) through (iv) below with respect to shareholders of the common shares, or if such date is not determined, the day one month prior to the day when the adjusted conversion price is applied, less the number of common shares held by the Company on the same date, to which the number of undelivered common shares deemed to be the number of common shares delivered based on (b) or (d) below before adjustment of the conversion price is added.

The “number of common shares delivered” used in the Conversion Price Adjustment Formula shall be the number of common shares increased due to a stock split (excluding the number of common shares increased with respect to common shares held by the Company as of the record date) in the case where a stock split of common shares is made and the number of common shares decreased due to a consolidation of shares (excluding the number of common shares decreased with respect to common shares held by the Company as of the effective date) which is indicated as negative value in the case where a consolidation of common shares is made.

The “amount to be paid per share” used in the Conversion Price Adjustment Formula shall be the relevant amount to be paid in the case of (b)(i) below (appropriately appraised value in the case where nonmonetary assets are contributed and zero yen in the case of gratis allotment), zero yen in the case of (b)(ii) and (iv) below, and the amount of payment in delivering the Shares with Put Options, etc. (defined in (b)(iii) below) or other payment made for consideration (in the case of stock acquisition rights by which the delivery of common shares may be requested at consideration below the fair value, value of assets contributed in exercise thereof shall be added.) less value of assets other than common shares delivered to holders of the Shares with Put Options, etc. upon the acquisition, conversion, exchange or exercise, which is divided by the number of common shares delivered upon the acquisition, conversion, exchange or exercise (hereinafter in (b)(iii), referred to as the “Consideration”) in the case of (b)(iii) below.

(b) Cases where the conversion price of the Class D Preferred Shares is adjusted with the Conversion Price Adjustment Formula and the timing on which the adjusted conversion price is applied are provided for as below:

(i) Cases where common shares are delivered with a payment amount that is below the fair value determined in (c)(ii) below (including cases of gratis allotment) (however, this excludes cases where shares are delivered in exchange for the acquisition of shares with put options delivered by the Company, shares subject to calls, or stock acquisition rights subject to calls (including those attached to bonds with stock acquisition rights; hereinafter, the same applies in this item b.), or cases where shares are delivered upon conversion, exchange or exercise of stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter, the same applies in this item b.), or other securities or rights by which delivery of common shares may be requested)

The adjusted conversion price shall be applied from the day after the payment date (or the final day of the payment period, if a period for payment is determined in offering; hereinafter, the same applies.) or the day after the effective date of a gratis allotment of shares. However, if there is a record date for granting the right to be allotted offered shares to shareholders of common shares of the Company or gratis allotment, it shall be applied from the day after this record date.

(ii) Cases where a stock split of the common shares is conducted

The adjusted conversion price shall be applied from the day after the record date for the stock split of the common shares.

(iii) Cases where shares with put options, shares subject to calls, or stock acquisition rights subject to calls are issued with provisions whereby common shares will be delivered in exchange for their acquisition for Consideration below the fair value provided for in (c)(ii) below (including cases of gratis allotment), or cases where stock acquisition rights or other securities or rights by which delivery of common shares may be requested are issued for Consideration below the fair value determined in (c)(ii) below (including cases of gratis allotment)

The adjusted conversion price shall be calculated by applying the Conversion Price Adjustment Formula, assuming all of the shares with put options, shares subject to calls, or stock acquisition rights subject to calls, or stock acquisition rights or other securities or rights (hereinafter referred to as the “Shares with Put Options, etc.) to be delivered have been acquired, converted, exchanged, or exercised under the initial terms and the

common shares have been delivered, and the adjusted conversion price shall be applied from the day after the date of delivery or effective date of the gratis allotment. However, if there is a record date for granting the right to be allotted the Shares with Put Options, etc. to shareholders of common shares of the Company or gratis allotment, it shall be applied from the day after this record date.

Notwithstanding the provisions of the above, if the Consideration for the common shares to be delivered upon acquisition, conversion, exchange, or exercise has not been determined at the above time, the adjusted conversion price shall be calculated by applying the Conversion Price Adjustment Formula, assuming that all the Shares with Put Options, etc. delivered when the Consideration is determined have been acquired, converted, exchanged, or exercised under the terms applicable when the Consideration is determined and the common shares have been delivered, and the adjusted conversion price shall be applied from the day after the Consideration is determined.

(iv) Cases where common shares are consolidated

The adjusted conversion price shall be applied after the effective date of consolidation of common shares.

(c)(i) Calculation of the Conversion Price Adjustment Formula shall be performed to two decimal places, and the result shall be rounded down to one decimal place.

(ii) The “fair value” used in the “Conversion Price Adjustment Formula” shall be the average of daily closing price (including closing bids or offered prices) of the common shares in regular trading at the Tokyo Stock Exchange over 30 trading days (excluding a trading day or days on which no closing price or closing bid or offered price is reported; the calculation shall be performed to two decimal places, and the result shall be rounded to one decimal place.) starting from the 45th trading day prior to the date the adjusted conversion price will be applied.

(d) Apart from the cases where an adjustment of the conversion price is required as provided for in the above (b), the Company shall make a necessary adjustment of the conversion price after deliberating with the Class D Preferred Share Shareholders and obtaining their unanimous consent in the case of the following events:

(i) When it is necessary to adjust the conversion price owing to a merger in which the Company is the surviving company, succession of all or part of rights and obligations of another company through an absorption-type company split made by such company, or acquisition of all outstanding shares of another stock company through a share exchange by such company;

(ii) When two or more circumstances occur one after another in which the conversion price should be adjusted, and it is necessary to consider the effect of one set of circumstances on the fair value that should be used in the calculation of the adjusted conversion price based on the other set of circumstances;

(iii) When it is necessary to adjust the conversion price owing to the occurrence of circumstances under which there is a change or possibility of change in the number of shares of the Company's common shares outstanding or other circumstances under which the conversion price shall be adjusted.

(e) If the difference between the adjusted conversion price calculated with the Conversion Price Adjustment Formula and the unadjusted conversion price is less than one yen, the conversion price will not be adjusted; provided, however, that any adjustments deemed unnecessary under the provisions of this item (e) shall be carried forward, and taken into consideration when calculating subsequent adjustments.

(f) When making adjustments to the conversion price owing to any of (a) through (e) above, the Company shall provide advance notice in writing to each of Class D Preferred Share Shareholders listed in the register of shareholders to that effect, together with the reasons thereof, the unadjusted conversion price, the adjusted conversion price, the date of application, and any other necessary information. However, if the aforementioned notice cannot be provided by the day before the date of application, the Company shall provide such notice promptly after the date of application.

3. The Conversion Request based on Paragraph 1 of this Article shall become effective when the Conversion Request Form arrives at the head office of the Company.

(Voting rights)

Article 11-22. Class D Preferred Share Shareholders shall not possess any voting rights at the general meeting of shareholders, unless otherwise provided for in laws and regulations.

(Consolidation or split of shares, etc.)

Article 11-23. Unless otherwise provided for in laws and regulations, the Company shall not conduct a consolidation or split of shares in regard to the Class D Preferred Shares. Class D Preferred Share Shareholders shall not be granted the right to be allotted shares offered or stock acquisition rights offered, and no gratis allotment of shares or stock acquisition rights shall be conducted for these shareholders.

CHAPTER II-5. Order of Priority

(Order of priority)

Article 11-24. As to the order of priority of the payment of dividends of surplus with respect to the Class B Preferred Share Dividends, the Class C Preferred Share Dividends, the Class D Preferred Share Dividends, the Cumulative Unpaid Dividends of Class B Preferred Shares, the Cumulative Unpaid Dividends of Class C Preferred Shares, Cumulative Unpaid Dividends of Class D Preferred Shares, and dividends for shareholders and registered stock pledgees (including, but not limited to shareholders of common shares and registered stock pledgees of common shares (hereinafter referred to as the "Registered Common Stock Pledgees")) of other classes of shares, the payment with respect to the Cumulative Unpaid Dividends of Class C First Preferred Shares shall rank at the first priority, the payment with respect to the Class C First Preferred Share Dividends shall rank at the second priority, the payment with respect to the Cumulative Unpaid Dividends of Class B Preferred Shares, Cumulative Unpaid Dividends of Class C Second Preferred Shares and Cumulative Unpaid Dividends of Class D Preferred Shares shall rank at the third priority (ranking pari passu among themselves), the payment with respect to the Class B Preferred Share Dividends, Class C Second Preferred Share Dividends and Class D Preferred Share Dividends shall rank at the fourth priority (ranking pari passu among themselves), and the payment with respect to dividends for shareholders and registered stock pledgees (including, but not limited to shareholders of common shares and Registered Common Stock Pledgees) of other classes of shares shall rank at the fifth priority.

However, notwithstanding the order of payment as provided for in this Paragraph, in the case that no dividends on the Class B Preferred Shares, the Class C Preferred Shares, or the Class D Preferred Shares are paid, dividends for shareholders of common shares and Registered Common Stock Pledgees may be paid if all of shareholders and registered stock pledgees of the Class B Preferred Shares, the Class C Preferred Shares or the Class D Preferred Shares with no dividends paid give written consent.

2. As to the order of priority of the distribution of residual assets with respect to the Class B Preferred Shares, the Class C Preferred Shares, the Class D Preferred Shares, and other classes of shares (including, but not limited to common shares), the distribution of residual assets with respect to the Class B Preferred Shares, the Class C Preferred Shares, and the Class D Preferred Shares shall rank at the first priority (ranking pari passu among themselves) and the distribution of residual assets with respect to the other classes of shares (including, but not limited to common shares) shall rank at the second priority.

3.If the amount at which the Company pays dividends of surplus or distributes residual assets does not reach the total amount necessary to pay dividends of surplus or distribute residual assets in a certain order of priority, the Company shall pay dividends of surplus or distribute residual assets by a pro rata method based on the amount necessary to make the dividend of surplus or distribution of residual assets in such order of priority.

<Omitted>

(General meeting of class shareholders)

Article 18-2. The provisions of Articles 14, 15, 17, and 18 shall also apply to the general meeting of class shareholders.

2. The provisions of Article 13 shall also apply to the general meeting of class shareholders to be held on the same date as the annual general meeting of shareholders.

3. The provisions of Article 16, Paragraph 1 shall apply to resolutions at the general meeting of class shareholders, as provided for in Article 324, Paragraph 1 of the Companies Act.

4. The provisions of Article 16, Paragraph 2 shall apply to resolutions at the general meeting of class shareholders, as provided for in Article 324, Paragraph 2 of the Companies Act.

Proposal 2: Election of Five (5) Directors

The terms of office of all six (6) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of five (5) Directors is proposed.

The candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings
1	Kinichi Shida [Reappointment]	Chairman and President	16 out of 16 meetings (100 %)
2	Tsutomu Shida [Reappointment]	Founder and Director, Supreme Adviser	16 out of 16 meetings (100 %)
3	Makoto Kawai [Reappointment] [External] [Independent]	External Director	16 out of 16 meetings (100 %)
4	Kohey Takashima [Reappointment] [External]	External Director	3 out of 3 meetings (100 %)
5	Masahito Seno [New appointment] [External] [Independent]	*	*

(Note) The new candidate for Director's columns are marked with an asterisk (*) to indicate that there are no relevant matters.

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Type and number of shares of the Company held
1	Kinichi Shida (September 5, 1957) [Reappointment]	<p>November 1981 Joined Caft Food Service Corporation (currently SHiDAX CONTRACT FOOD SERVICE CORPORATION) General Manager of Sales Promotion Department</p> <p>April 1985 Director of Caft Food Service Corporation</p> <p>March 1991 Vice President and Representative Director of Shida Corporation (currently SHiDAX CONTRACT FOOD SERVICE CORPORATION)</p> <p>September 1997 President and Representative Director of SHiDAX Corporation (currently SHiDAX CONTRACT FOOD SERVICE CORPORATION)</p> <p>June 2000 Director of SHiDAX COMMUNITY CORPORATION</p> <p>October 2000 Representative Director of SHiDAX COMMUNITY CORPORATION</p> <p>April 2001 President and Representative Director of the Company Executive Vice President and Representative Director of SHiDAX COMMUNITY CORPORATION</p> <p>January 2004 President and Representative Director of SHiDAX COMMUNITY CORPORATION</p> <p>June 2008 Chairman and Director of DAISHINTO Inc.</p> <p>May 2010 President and Representative Director of DAISHINTO Inc.</p> <p>June 2011 Chairman and Representative Director of DAISHINTO Inc.</p> <p>June 2012 Chairman and President of the Company (to present)</p> <p>[Significant concurrent positions] Chairman and Representative Director of SHiDAX CONTRACT FOOD SERVICE CORPORATION Director of SHIDA Holdings Corporation. Director of Japan Contract Food Service Association</p>	<p>Common stock: 1,225,856 shares</p>
<p>[Reason for nomination as candidate for Director] Having a wealth of experience as a business manager of the Group, Mr. Kinichi Shida has shown strong leadership in the Group's regrowth strategy in the name of "Re-Growth," which is our policy for business development. The Company expects him to utilize his experience as the Company's President through the Board of Directors to realize business growth and improvement of corporate value for the Company in the future, as well as appropriately supervise the Group as a whole.</p>			
2	Tsutomu Shida (October 14, 1934) [Reappointment]	<p>May 1960 Established Fuji Shokuhin Kogyo Co., Ltd. (currently SHiDAX CONTRACT FOOD SERVICE CORPORATION) President and Representative Director</p> <p>August 1993 Established SHiDAX Community Plaza Corp. (currently SHiDAX COMMUNITY CORPORATION) President and Representative Director</p> <p>September 1997 Chairman and Representative Director of SHiDAX CORPORATION (currently SHiDAX CONTRACT FOOD SERVICE CORPORATION)</p> <p>March 1999 Chairman, President and Representative Director of SHiDAX COMMUNITY CORPORATION</p> <p>October 2000 Chairman and Representative Director of SHiDAX COMMUNITY CORPORATION</p> <p>April 2001 Chairman of the Company</p> <p>June 2012 Founder and Director, Supreme Adviser of the Company (to present)</p> <p>[Significant concurrent positions] Representative Director of SHIDA Holdings Corporation.</p>	<p>Common stock: 1,203,332 shares</p>
<p>[Reason for nomination as candidate for Director] Mr. Tsutomu Shida has made efforts to establish various businesses as a founder and has built the Group to where it is today. He has insights and deep knowledge nurtured by his wealth of experience as a business manager of the Group, therefore the Company expects him to appropriately supervise the Group as a whole.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Type and number of shares of the Company held
3	<p data-bbox="201 779 400 835">Makoto Kawai (October 26, 1960)</p> <p data-bbox="212 869 389 958">[Reappointment] [External] [Independent]</p>	<p data-bbox="432 275 547 297">April 1986</p> <p data-bbox="432 365 547 387">April 1989</p> <p data-bbox="432 432 547 454">April 2001</p> <p data-bbox="432 499 547 521">April 2005</p> <p data-bbox="432 589 547 611">April 2012</p> <p data-bbox="432 678 547 701">April 2015</p> <p data-bbox="432 745 547 768">June 2016</p> <p data-bbox="432 779 547 801">April 2018</p> <p data-bbox="432 857 547 880">April 2019</p> <p data-bbox="432 891 547 913">April 2021</p> <p data-bbox="432 1014 547 1037">May 2021</p> <p data-bbox="432 1137 547 1160">March 2022</p> <p data-bbox="432 1227 775 1249">[Significant concurrent positions]</p> <p data-bbox="432 1261 1289 1305">Visiting Professor of Research Course for Management Information, Tama Graduate School of Business</p> <p data-bbox="432 1317 1289 1406">Head of Regional Revitalization Department, Advanced Science ELSI Institute, Organization for the Strategic Coordination of Research and Intellectual Properties, Meiji University</p> <p data-bbox="432 1417 1289 1462">Director and Chairperson of Regional Popularizing Committee of The Incorporated Association of Future Design for Healthy Life and Health-Care Living</p>	0 shares
<p data-bbox="196 1473 1126 1496">[Reason for nomination as candidate for External Director and overview of expected roles]</p> <p data-bbox="196 1507 1461 1644">Mr. Makoto Kawai has nurtured extensive experience and knowledge at JA Kyosai Research Institute, Tama Graduate School, and Advanced Science ELSI Institute of Meiji University, etc. Although he does not have experience directly involved in management of a company, the Company judges that he will be able to provide beneficial advice and supervision to the Company's overall management from a fair and objective perspective to further strengthen and enhance the management structure with his professional viewpoints driven by his insights.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Type and number of shares of the Company held
4	Kohey Takashima (August 15, 1973) [Reappointment] [External]	<p>April 1998 Joined McKinsey & Company, Inc. Japan</p> <p>June 2000 Joined Oisix Inc. (currently Oisix ra daichi Inc.) Representative Director, CEO (to present)</p> <p>June 2011 Representative Director of Eastern Japan Food Association (to present)</p> <p>October 2015 Director of Oisix Hong Kong Co., Ltd. (to present)</p> <p>July 2016 Representative Director and Chairman of Tokushimaru Inc. (to present)</p> <p>July 2018 Head Director of JAPAN WHEELCHAIR RUGBY FEDERATION (to present)</p> <p>December 2018 Director of Oisix Inc. (to present)</p> <p>May 2019 Director of Three Limes, Inc. (DBA name: The Purple Carrot) (to present)</p> <p>October 2019 Director of WELCOME Co., Ltd. (to present)</p> <p>March 2020 External Director of CARTA HOLDINGS, INC.</p> <p>April 2021 Vice Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives) (to present)</p> <p>June 2021 External Director of Benesse Holdings, Inc. (to present)</p> <p>November 2022 Joint Representative Director of Data for Social Transformation (to present)</p> <p>January 2023 External Director of the Company (to present)</p> <p>[Significant concurrent positions] Representative Director, CEO of Oisix ra daichi Inc. External Director of Benesse Holdings, Inc. Joint Representative Director of Data for Social Transformation</p>	0 shares
		<p>[Reason for nomination as candidate for External Director and overview of expected roles] Mr. Kohey Takashima serves as the Representative Director, CEO of Oisix ra daichi Inc., and the Company expects him to give helpful opinions for enhancing the Group's governance based on his broad experience, including management as a socially responsible food enterprise.</p>	
5	Masahito Seno (October 16, 1981) [New appointment] [External] [Independent]	<p>January 2010 Joined Mori Hamada & Matsumoto</p> <p>November 2012 Joined COO Office of Yahoo Japan Corporation</p> <p>October 2017 Head of Social Contribution Business Division, SR Promotion Headquarters of Yahoo Japan Corporation</p> <p>April 2018 Head of Policy Planning Division of Yahoo Japan Corporation</p> <p>April 2019 Head of Legal Division, Legal Headquarters of Yahoo Japan Corporation</p> <p>October 2019 Head of Legal Management Division of Z Holdings Corporation</p> <p>April 2020 EVP, Corporate Officer, Head of Legal Headquarters of Yahoo Japan Corporation</p> <p>January 2021 Corporate Officer, Head of Legal Management Division of Z Holdings Corporation (to present)</p> <p>April 2022 Corporate Officer, Head of Group Risk Management Division of Z Holdings Corporation (to present)</p> <p>[Significant concurrent positions] Corporate Officer, Head of Legal Management Division and Group Risk Management Division of Z Holdings Corporation</p>	0 shares
		<p>[Reason for nomination as candidate for External Director and overview of expected roles] Mr. Masahito Seno served as an attorney at a law office, handling a wide range of corporate legal matters. In addition, in enterprises, he acquired experience in business strategy and M&A divisions, was responsible for social contribution and policy liaison divisions, and currently oversees legal, governance, and risk management divisions. The Company expects him to utilize his broad experience and knowledge in management.</p>	

(Notes)

1. The Company has entered into a capital alliance agreement with Oisix ra daichi Inc., where Mr. Kohey Takashima serves as the Representative Director, CEO.
2. Messrs. Makoto Kawai, Kohey Takashima, and Masahito Seno are candidates for External Directors. In addition, Mr. Makoto Kawai satisfies the criteria for independence of External Officers of the Company and is designated and registered as an Independent Director stipulated by Tokyo Stock Exchange, and if he is elected as originally proposed, Mr. Makoto Kawai will continue to be designated as an Independent Officer. Furthermore, if Mr. Masahito Seno is elected as originally proposed, he will be newly designated as an Independent Officer.
The terms of office as External Director of the Company for Messrs. Makoto Kawai and Kohey Takashima are as follows.
 - (1) Mr. Makoto Kawai
The term of office as External Director of the Company for Mr. Makoto Kawai will be seven (7) years at the conclusion of this General Meeting of Shareholders.
 - (2) Mr. Kohey Takashima
The term of office as External Director of the Company for Mr. Kohey Takashima will be five (5) months at the conclusion of this General Meeting of Shareholders.
3. The Company has entered into an agreement limiting liabilities with each of Messrs. Makoto Kawai and Kohey Takashima to limit their liabilities for the damages stipulated in Article 423, Paragraph 1 of the Companies Act to the extent of one million yen or the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act, whichever is higher, provided that they have performed their duties in good faith and without gross negligence. If the reelections of Messrs. Makoto Kawai and Kohey Takashima are approved, the Company plans to continue such agreement limiting liability with each of them. Furthermore, if the election of Mr. Masahito Seno is approved, the Company plans to enter into an agreement limiting liabilities on the same terms and conditions as stated above with him.
4. The Company has entered into a directors and officers liability insurance agreement pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company and the content of such agreement is as stated on page 45 of the Business Report (only in the Japanese original). Each of the candidates, excluding Mr. Masahito Seno, is already insured under such agreement, and if the candidates assume office as Directors, they will be insured. The Company plans to renew the insurance agreement with the same content at the next renewal.
5. Each of the candidates does not hold any type of preferred shares of the Company.

(Reference) Skill Matrix of the Directors

In order to contribute to our stakeholders from a long-term perspective, the Company has defined important management issues, and fields where each Director should utilize his or her expertise to solve them.

Expertise expected of Directors	Kinichi Shida	Tsutomu Shida	Makoto Kawai	Kohey Takashima	Masahito Seno
	Chairman and President	Founder and Director, Supreme Adviser	Director (External)	Director (External)	Director (External)
Group Management, Strategies, M&A	●	●	●	●	●
Sales, Marketing	●	●		●	
Finance, IR, Public Relations				●	
Accounting, Compliance, Governance					●
Human Resource Development, Diversity	●	●	●		
DX, IT	●		●	●	●
Solution for Social Issues (SDGs)	●	●	●	●	●

Proposal 3: Election of Two (2) Substitute Audit & Supervisory Board Members

The effectiveness of the current substitute Audit & Supervisory Board Member will expire at the beginning of this year's Annual General Meeting of Shareholders.

Accordingly, in order to prepare for the occasion where the number of Audit & Supervisory Board Members falls below the minimum number stipulated by laws and regulations, the election of two (2) substitute Audit & Supervisory Board Members is proposed.

As candidates for substitute Audit & Supervisory Board Members, the election of Mr. Sumihiko Isayama as a substitute for Audit & Supervisory Board Member Mr. Masataro Sekiguchi, and the election of Mr. Shinichi Kazama as a substitute for External Audit & Supervisory Board Member are proposed.

The effectiveness of the resolution on the election in this proposal shall be until the beginning of the Annual General Meeting of Shareholders for the last fiscal year ending within one year after the said resolution, pursuant to Article 31, Paragraph 3 of the Articles of Incorporation.

Furthermore, the effectiveness of the election in this proposal may be revoked by resolution of the Board of Directors with the approval of the Audit & Supervisory Board, only before the candidates assume office.

The Audit & Supervisory Board has given its approval to this proposal.

The candidates for substitute Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Type and number of shares of the Company held
1	Sumihiko Isayama (October 4, 1967)	<p>April 1990 Joined Daiwa Securities Co. Ltd.</p> <p>April 1992 Joined Shida Corporation (currently SHiDAX CONTRACT FOOD SERVICE CORPORATION)</p> <p>April 2008 General Manager, Management Control Office of the Company</p> <p>April 2012 Temporary transfer to SHiDAX FOOD SERVICE CORPORATION (currently SHiDAX CONTRACT FOOD SERVICE CORPORATION)</p> <p> General Manager, Osaka Branch of the Company</p> <p>May 2015 General Manager, Yokohama Branch of the Company</p> <p>April 2016 Temporary transfer to SHiDAX DAISHINTO HUMAN SERVICE Inc.</p> <p> General Manager, School Catering Business Division of SHiDAX DAISHINTO HUMAN SERVICE Inc.</p> <p>June 2021 Director of SHiDAX DAISHINTO HUMAN SERVICE Inc.</p> <p>April 2022 General Manager, Audit & Supervisory Board Office of the Company (to present)</p> <p>June 2022 Audit & Supervisory Board Member of SHiDAX CONTRACT FOOD SERVICE CORPORATION (to present)</p> <p> Audit & Supervisory Board Member of SHiDAX FOOD SERVICE CORPORATION (to present)</p> <p> Audit & Supervisory Board Member of SLOGIX CORPORATION (to present)</p> <p>[Significant concurrent positions]</p> <p>Audit & Supervisory Board Member of SHiDAX CONTRACT FOOD SERVICE CORPORATION</p> <p>Audit & Supervisory Board Member of SHiDAX FOOD SERVICE CORPORATION</p>	0 shares
<p>[Reason for nomination as candidate for substitute Audit & Supervisory Board Member]</p> <p>Mr. Sumihiko Isayama has many years of experience of involvement in operations of the Company and Group companies, and therefore is well acquainted with the circumstances and practical aspects of the Company. The Company expects him to utilize his deep knowledge nurtured by his wealth of experience in the Company's auditing structure.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Type and number of shares of the Company held
2	Shinichi Kazama (October 25, 1949) [External] [Independent]	<p>April 1973 Joined Jeugia Co., Ltd.</p> <p>July 1973 Joined Nippon Shinpan Co., Ltd. (currently Mitsubishi UFJ NICOS Co., Ltd.)</p> <p>March 1997 Manager, Advertising Department of Nippon Shinpan Co., Ltd.</p> <p>February 1998 Manager, Public Relations Department of Nippon Shinpan Co., Ltd.</p> <p>March 2005 Manager, Public Relations Department of UFJ NICOS Co., Ltd.</p> <p>April 2006 Senior Researcher, Public Relations Department of UFJ NICOS Co., Ltd.</p> <p>November 2009 Established KAZAMA's Public Office (to present)</p> <p>February 2022 External Audit & Supervisory Board Member of the Company</p> <p>[Significant concurrent positions]</p> <p>Auditor of Risk Managers and Consultants Association of Japan</p> <p>Advisor of Koho Kakekomidera</p>	0 shares
<p>[Reason for nomination as candidate for substitute External Audit & Supervisory Board Member]</p> <p>The Company expects Mr. Shinichi Kazama to leverage his experience in corporate management, and knowledge and experience nurtured as a person in charge of the public relations department and risk management department, etc., for the Company's auditing structure if he assumes office as an External Audit & Supervisory Board Member, and therefore proposes his election as a substitute Audit & Supervisory Board Member. Moreover, the Company makes comprehensive consideration on his aforementioned knowledge and experience, etc., and judges that he will be able to appropriately perform the duties.</p>			

(Notes)

1. There are no special interests between the candidates and the Company.
2. Mr. Shinichi Kazama is a candidate for substitute External Audit & Supervisory Board Member.
3. If Messrs. Sumihiko Isayama and Shinichi Kazama assume office as Audit & Supervisory Board Members, the Company plans to enter into an agreement limiting liabilities with each of them to limit their liabilities for the damages stipulated in Article 423, Paragraph 1 of the Companies Act to the extent of one million yen or the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act, whichever is higher, provided that they have performed their duties in good faith and without gross negligence.
4. The Company has entered into a directors and officers liability insurance agreement pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company and the content of such agreement is as stated on page 45 of the Business Report (only in the Japanese original). Messrs. Sumihiko Isayama and Shinichi Kazama will be included as insured under such agreement if they assume office as Audit & Supervisory Board Members. The Company plans to renew the insurance agreement with the same content at the next renewal.
5. Each of the candidates does not hold any type of the preferred shares of the Company.

(Reference) Criteria for Independence of External Officers of the Company

In addition to the criteria for independence stipulated by the Tokyo Stock Exchange, Inc., the Company judges External Directors and External Audit & Supervisory Board Members (hereinafter, “External Officers”) as independent when such External Officers do not meet any of the items from (1) to (9) below.

- (1) A major shareholder of the SHiDAX Group (holding directly or indirectly 10% or more of total voting rights), or a business executor thereof (Note 1)
- (2) A person/entity that provides loan(s) that exceeds the standard stipulated by the Company to the SHiDAX Group, or a business executor thereof (Note 2)
- (3) A person/entity that conducts transaction(s) that exceeds the standard stipulated by the Company with the SHiDAX Group, or a business executor thereof (Note 3)
- (4) A person who provides professional services, such as a consultant, attorney, or certified public accountant, and obtains monetary or other financial benefits that exceeds 5 million yen in one fiscal year from the SHiDAX Group, other than compensation as its Officer
- (5) An Accounting Auditor of the SHiDAX Group or an employee thereof
- (6) A person or a person who belongs to a corporation, partnership, or other organization that receives donation(s) over a certain amount from the SHiDAX Group (Note 4)
- (7) A person who has fallen under any of (1) to (6) above in the past three fiscal years
- (8) A person who has fallen under any of the following (A) to (C) at any time in the ten years prior to their assumption of office
 - (A) A business executor of, or a Director who is not a business executor of, a parent company of a listed company
 - (B) An Audit & Supervisory Board Member of a parent company of a listed company (applies only to an External Audit & Supervisory Board Member designated as an Independent Officer)
 - (C) A business executor of a sister company of a listed company
- (9) A spouse of, or a relative within the second degree of kinship to, a person (other than those deemed unimportant) who falls under (A) to (H) below
 - (A) A person who falls under any of (1) to (8)
 - (B) An accounting advisor of the Company (including its employee who performs relevant duties if such accounting advisor is a corporation; the same applies to the items below) (applies only to an External Audit & Supervisory Board Member designated as an Independent Officer)
 - (C) A business executor of a subsidiary of the Company
 - (D) A Director who is not a business executor or an accounting advisor of a subsidiary of the Company (applies only to an External Audit & Supervisory Board Member designated as an Independent Officer)
 - (E) A business executor of, or a Director who is not a business executor of, the parent company of the Company
 - (F) An Audit & Supervisory Board Member of the parent company of the Company (applies only to an External Audit & Supervisory Board Member designated as an Independent Officer)
 - (G) A business executor of a sister company of the Company
 - (H) A person who has fallen under any of the preceding (B) to (D) or had been a business executor of a listed company (including a Director who is not a business executor if an External Audit & Supervisory Board Member is designated as an Independent Officer) in the past three fiscal years

(Note 1) “Business executor” refers to an Executive Director, Corporate Officer, or other employee.

(Note 2) “A person/entity that provides loan(s) that exceeds the standard stipulated by the Company” refers to a person/entity that provides monetary loan(s) that exceeds 2% of the Company's consolidated total assets to the SHiDAX Group as of the end of the latest fiscal year.

(Note 3) “A person/entity that conducts transaction(s) that exceeds the standard stipulated by the Company” refers to a person/entity that conducts transaction(s) in the amount that exceeds 2% of the yearly consolidated net sales of the SHiDAX Group. This includes financing transactions in a broad sense.

(Note 4) “Donation(s) over a certain amount” refers to donation(s) that exceeds 5 million yen in one fiscal year.