

May 11, 2023

Company Name: Meitec Corporation

Representative: Hideyo Kokubun

President, Group CEO

Code No.: 9744 TSE Prime Market

Notice Regarding Transition to a Holding Company Structure Through Company Split, Transition to a Company with Audit and Supervisory Committee, and Partial Changes to Articles of Incorporation (Trade Name, Business Purpose, Location of Headquarters)

Meitec Corporation (the Company) announces that, at the Board of Directors meeting held on May 11, 2023, it resolved to transition to a holding company structure through an absorption-type company split (hereinafter, “the split”) and a company with audit and supervisory committee, effective on October 1, 2023.

In addition, as part of the transition to a holding company structure and a company with audit and supervisory committee, the Company decided to add partial changes to the Articles of Incorporation to the agenda for the 50th Annual General Meeting of Shareholders, to be held on June 22, 2023.

The transition to a holding company structure and a company with audit and supervisory committee is premised on the approval and passage of the relevant proposals at this General Meeting of Shareholders.

As this split is an absorption-type split in which the Company will become a wholly owned subsidiary, disclosure is partially omitted here.

Purpose of transition to holding company structure and a company with audit and supervisory committee

While working to continuously improve its five values—Value to Engineers, Value to Employees, Value to Clients, Value to Shareholders, and Value to the Society—and while continuously enhancing corporate governance, the MEITEC Group has aimed for sustainable growth and to enhance its corporate value over the medium to long term.

Recently, among large manufacturers, the main customers of the MEITEC Group, design and development operations have grown more diverse and more complex due to technological innovation. Amid this trend, the MEITEC Group has worked to transform itself into a corporate group that provides engineering solutions that is “The Only One” unlike those that we have provided in the past.

Going forward, we are aware that the MEITEC Group’s main clients will be taking a more aggressive approach to sustainability issues including environmental issues such as carbon neutral.

Given these conditions, while aggressively pursuing opportunities for high added value, to continuously improve both earnings power and capital efficiency, the Company decided to start the transition to a holding company structure and a company with audit and supervisory committee as the appropriate stance to simultaneously pursue the below three points.

- Achieve strong leadership capable of carrying out bold management decisions
- Establish an environment capable of risk-taking and improve effectiveness of oversight of management resource allocation
- Reform mindset and conduct of the Group’s executives and employees

I. Transition to holding company structure

1. Overview of the split

(1) Schedule for split

Establishment of successor preparatory company	April 3, 2023
Board of Directors meeting for approval of agreement on absorption-type split	May 11, 2023
Finalization of agreement on absorption-type split	May 11, 2023
General Meeting of Shareholders for approval of agreement on absorption-type split	June 22, 2023 (tentative)
Effective date for absorption-type split	October 1, 2023 (tentative)

(2) Method for split

In this corporate split, the Company will be absorbed in the split, and Meitec Split Preparatory Company, the wholly owning parent company, will be the successor company in the absorption-type split.

(3) Allocations in the split

When the company split takes place, Meitec Split Preparatory Company will not allocate shares or provide other forms of compensation.

(4) Treatment of new stock acquisition rights and bonds with stock acquisition rights following the split

Not applicable.

(5) Change in capital due to split

The Company’s capital will not change as a result of this split.

(6) Rights and obligations that successor company will assume

As a result of this split, on the effective date, the successor company will assume the assets, liabilities, employment agreements, and other rights and obligations related to the business to be assumed to which the Company belongs, within the scope stipulated in the agreement on this absorption-type split.

The transfer of obligations to the successor company shall be carried out using the concomitant assumption method by the Company.

(7) Prospects for performance of obligations

As a result of a review of the amount of assets and liabilities as well as the revenue conditions of the Company and the successor company expected after the split, the Company has determined that there are no concerns over the ability to fulfill the liabilities borne by the Company and the successor company after the split.

2. Overview of companies involved in split

	Company to be split As of March 31, 2023	Successor company As of April 3, 2023
(1) Name	Meitec Corporation	Meitec Split Preparatory Company
(2) Location	2-20-1 Kosei-tori, Nishi-ku, Nagoya, Aichi Prefecture	15-1 Morinosato Aoyama, Atsugi, Kanagawa Prefecture
(3) Role and name of representative	Hideyo Kokubun, President	Hideyo Kokubun, President
(4) Business operations	Engineering solutions business	Engineering solutions business
(5) Capital	5,000 million yen	800 million yen
(6) Date of establishment	July 17, 1974	April 3, 2023
(7) Number of outstanding shares	82,500,000 shares	20,000 shares
(8) End of financial period	March 31	March 31
(9) Major shareholders and shareholding ratio	Master Trust Bank of Japan, Ltd. (trust account) 15.7%	Meitec Corporation 100%
	Custody Bank of Japan, Ltd. (trust account) 6.4%	
	SSBTC CLIENT OMNIBUS ACCOUNT 6.2%	
	Meiji Yasuda Life Insurance Company 5.7%	
	Meitec Corporation 4.9%	
(10) Financial position and operating results in prior business year ^(Note)		
Net assets	37,056 million yen	1,000 million yen
Total assets	68,219 million yen	1,000 million yen
Net assets per share	472.54 yen	50,000 yen
Net sales	83,765 million yen	—
Operating profit	13,212 million yen	—
Ordinary profit	14,113 million yen	—
Net income	10,719 million yen	—
Earnings per share	134.61 yen	—

Note: Meitec Split Preparatory Company was established on April 3, 2023, and thus does not have a prior business year. As a result, only figures for net assets, total assets, and net assets per share on the date of establishment are noted in “(10) Financial position and operating results in prior business year.”

(1) Businesses in divisions to be split

All businesses (excluding businesses related to the control and management of business activities of companies in which the Company holds shares as well as Group operations)

(2) Operating results in divisions split off (as of March 31, 2023)

	Business divisions split off (a)	Results of Company alone (b)	Ratio (a/b)
Net sales	83,765 million yen	83,765 million yen	100%

(3) Asset and liability items to be split off and amounts (as of March 31, 2023)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	38,472 million yen	Current assets	11,521 million yen
Non-current assets	8,772 million yen	Non-current assets	16,586 million yen
Total	47,244 million yen	Total	28,108 million yen

(Note) The above amounts are calculated based on the balance sheet as of March 31, 2023, and the amounts that will actually be transferred will be adjusted for changes by the effective date.

3. Status after split

	Company to be split	Successor company
(1) Name	MEITEC Group Holdings Inc. ^(Note 1)	Meitec Corporation ^(Note 2)
(2) Location	15-1 Morinosato Aoyama, Atsugi, Kanagawa Prefecture	15-1 Morinosato Aoyama, Atsugi, Kanagawa Prefecture
(3) Role and name of representative	Hideyo Kokubun, President	Hideyo Kokubun, President
(4) Business	Management and operation of Group companies, etc.	Engineering solution business
(5) Capital	5,000 million yen	800 million yen
(6) Date of established	July 17, 1974	April 3, 2023
(7) Number of outstanding shares	82,500,000 shares	20,000 shares
(8) End of fiscal period	March 31	March 31

(Note 1) The business name will be changed from Meitec Corporation to Meitec Group Holdings Inc. on October 1, 2023.

(Note 2) The business name will be changed from Meitec Split Preparatory Company to Meitec Corporation on October 1, 2023.

4. Outlook

As the successor company will be the Company's wholly owned subsidiary, the impact of this split on consolidated earnings will be minimal.

As the Company will be a pure holding company after this split, the Company's revenue will primarily consist of dividend revenue from Group companies and revenue generated by management guidance fees, and expenses will primarily be related to the functions of managing and operating Group companies as a holding company.

II. Transition to a company with audit and supervisory committee

Timing of transition

The necessary changes to the Articles of Incorporation will be approved at the 50th Annual General Meeting of Shareholders, to be held on June 22, 2023, and the transition will take place on October 1, 2023.

III. Changes to Articles of Incorporation

1. Reasons for changes

The following steps will be taken following the transition to a holding company structure and a company with audit and supervisory committee.

(1) The Company's business name and purpose will be changed to clarify its role as a pure holding company.

(2) The headquarters location will be changed to improve the Group's management efficiency.

(3) New provisions related to the Audit and Supervisory Committee and Audit and Supervisory Committee Members needed for the transition to a company with an audit and supervisory committee will be established and provisions related to Audit & Supervisory Board and the Audit & Supervisory Board Members will be removed, among other steps. In conjunction with this, a supplemental provision will be established as a transitional measure following the removal of provisions that exempt auditors from liability.

(4) The Company with the aim of swift and bold decision-making through lively discussion, and will thus change the number of Directors from 22 or fewer to 12 or fewer to ensure an appropriate number that takes into account the type and scale of business at present.

(5) The Company will establish new provisions so that decisions on important execution of operations can be delegated to Directors, with the aim of ensuring leadership that can take on bold management decisions, in line with stipulations in the Companies Act.

(6) The Company will establish new provisions so that to enable flexible distribution of surplus, etc., it is stipulated that dividends, etc. of surplus can also be made by resolution of the Board of Directors based on the provisions of Article 459, Paragraph 1 of the Companies Act.

(7) Necessary changes, such as changes to the number articles, will be made as needed following the changes described in (1) to (6) above.

2. Changes to Articles of Incorporation

The changes to the Articles of Incorporation are described in the Appendix.

3. Schedule for changes to Articles of Incorporation

Board of Directors meeting to approve proposals for changes to Articles of Incorporation	May 11, 2023
General Meeting of Shareholders to approve proposals for changes to Articles of Incorporation	June 22, 2023 (tentative)
Effective date for changes to Articles of Incorporation	October 1, 2023 (tentative)

End

Appendix

(The underlined sections indicate changes.)

Current Articles of Incorporation	Proposed changes
<p style="text-align: center;">Chapter 1. General Provisions</p> <p>Article 1. (Business Name) The Company shall be called <i>Kabushiki Kaisha Meitec</i>, and the Company shall be known in English as MEITEC <u>CORPORATION</u>.</p> <p>Article 2. (Purpose) The purpose of the Company shall be to engage in the following business activities.</p> <p>(1) – (3) [Omitted] (4) Provision of technology guidance and technology information related to the above items, as well as the publication/sale of documents (5) Management <u>as well as</u> sale of computers and ancillary equipment (6) [Omitted] (7) <u>Non-life insurance agency and life insurance solicitation operations</u> (8) <u>Advertising business and travel agencies</u> (9) <u>Management of sports facilities, culture classes, and restaurants and bars, among others</u> (10) Real estate rental and management (11) Product leasing (12) Holding <u>as well as</u> managing investments <u>and</u> marketable securities in various companies (13) Worker dispatch business based on the Worker Dispatching <u>Business Act</u> (14) <u>Consulting services on support for reemployment</u> [New]</p> <p>(15) Planning, implementing, <u>and</u> consulting on educational and training lectures on management, HR management, and skill development (16) Any operations related to or ancillary to the above items</p> <p>Article 3. (Location of Head Office) The Company shall have its head office in <u>Nagoya City</u>.</p> <p>Article 4. (Organizations) In addition to the general meeting of the shareholders and directors, the Company has the following entities. (1) Board of Directors (2) <u>Audit & Supervisory Board members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting auditor</p> <p>Article 5. [Omitted]</p>	<p style="text-align: center;">Chapter 1. General Provisions</p> <p>Article 1. (Business Name) The Company shall be called <i>Kabushiki Kaisha Meitec Group Holdings</i>, and the Company shall be known in English as MEITEC <u>Group Holdings Inc.</u></p> <p>Article 2. (Purpose) The purpose of the Company shall be to <u>control and manage the business activities of the relevant companies, etc., by holding stocks or equity in companies (including foreign companies), associations (including entities equivalent to associations located overseas) and other equivalent business entities that engage in</u> the following business activities.</p> <p>(1) – (3) [No change] (4) Provision of technology guidance and technology information related to the above items, as well as the publication <u>and</u> sale of documents; (5) Management <u>and</u> sale of computers and ancillary equipment (6) [No change] [Deleted]</p> <p>(7) Real estate rental and management (8) Product leasing (9) Holding <u>and</u> managing investments <u>as well as</u> marketable securities in various companies (10) Worker dispatch business based on the Worker Dispatch Act [Deleted] (11) <u>Fee-charging employment placement business based on the Employment Security Act</u> (12) <u>Contract business for HR and hiring operations</u> (13) Planning, implementing, <u>and</u> consulting on educational and training lectures on management, HR management, and skill development (14) Any operations related to or ancillary to the above items</p> <p>Article 3. (Location of Head Office) The Company shall have its head office in <u>Atsugi City, Kanagawa Prefecture</u>.</p> <p>Article 4. (Organizations) In addition to the general meeting of the shareholders and directors, the Company has the following entities. (1) Board of Directors [Deleted] (2) <u>Audit and Supervisory Committee</u> (3) Accounting auditor</p> <p>Article 5. [No change]</p>

Current Articles of Incorporation	Proposed changes
<p style="text-align: center;">Chapter 2. Shares [Omitted]</p>	<p style="text-align: center;">Chapter 2. Shares [Omitted]</p>
<p>Article 10. (Shareholder Registry Administrator) [Omitted]</p>	<p>Article 10. (Shareholder Registry Administrator) [No change]</p>
<p>2. The shareholder registry administrator and its place of business shall be determined by the Board of Directors, and shall be publicly announced.</p>	<p>2. The shareholder registry administrator and its place of business shall be determined by the Board of Directors <u>or the executive officer(s) to whom authority is delegated by resolution of the Board of Directors</u>, and shall be publicly announced.</p>
<p>3. The preparation and retention of the Company’s shareholder registry and the share option registry, as well as any other business related to the shareholder registry and the share option registry shall be entrusted to the shareholder registry administrator, and shall not be handled by the Company.</p>	<p>3. The preparation and retention of the Company’s shareholder registry and the share option registry, as well as any other business related to the shareholder registry and the share option registry shall be entrusted to the shareholder registry administrator, and shall not be handled by the Company.</p>
<p>Article 11. (Share Handling Regulations) Handling related to shares and fees shall be based on laws and regulations or the Articles of Incorporation as well as the share handling regulations determined <u>by the</u> Board of Directors.</p>	<p>Article 11. (Share Handling Regulations) <u>Procedures for the exercise of rights by shareholders of the Company and other</u> handling related to shares as well as fees shall be based on laws and regulations or the Articles of Incorporation as well as the share handling regulations determined by the Board of Directors <u>or executive officer(s) to whom authority is delegated based on a resolution of the Board of Directors</u>.</p>
<p style="text-align: center;">Chapter 3. General Meeting of Shareholders [Omitted]</p>	<p style="text-align: center;">Chapter 3. General Meeting of Shareholders [Omitted]</p>
<p>Article 14. (Convener and Chairperson) Unless otherwise provided for by applicable laws and regulations, the general meeting of shareholders shall be convened and chaired by the president and representative director by resolution of the Board of Directors.</p>	<p>Article 14. (Convocation and Chairperson) Unless otherwise provided for by applicable laws and regulations, the general meeting of shareholders shall be convened and chaired by the president and representative director by resolution of the Board of Directors.</p>
<p><u>If any</u> accident prevents the president and representative director from so acting, another director shall <u>act for the president and representative director according to the order</u> previously decided by the Board of Directors.</p>	<p><u>2. In the event that an</u> accident prevents the president and representative director from so acting, another director shall <u>convene the general meeting of the shareholders and serve as chairperson in accordance with</u> the order previously decided by the Board of Directors.</p>
<p style="text-align: center;">[Omitted] Chapter 4. Directors and Board of Directors</p>	<p style="text-align: center;">[Omitted] Chapter 4. Directors and Board of Directors</p>
<p>Article 18. (<u>Fixed Number</u> of Directors) The Company shall have no more than <u>22</u> directors. [New]</p>	<p>Article 18. (<u>Number</u> of Directors) The Company shall have no more than <u>12</u> directors. <u>2. Among the directors mentioned in the preceding paragraph, the number of directors appointed as directors serving on the Audit and Supervisory Committee shall be not more than four.</u></p>
<p>Article 19. (Election of Directors) Directors <u>shall be elected</u> at the general meeting of shareholders.</p>	<p>Article 19. (Election of Directors) <u>In electing</u> directors at the general meeting of shareholders, <u>a distinction shall be made between directors serving on the Audit and Supervisory Committee and other directors.</u></p>
<p>2 – 3 [Omitted]</p>	<p>2 – 3 [No change]</p>

Current Articles of Incorporation	Proposed Changes
<p>Article 20. (Term of Office of Directors) The term of office of a director shall expire upon the conclusion of the annual general meeting of the shareholders pertaining to the last business year ending within <u>two years</u> following his/her election.</p> <p><u>2. The term of office of a director elected to fill a vacancy or to increase the number of directors shall be the same as the remaining term for the existing directors.</u></p> <p>[New]</p>	<p>Article 20. (Term of Office of Directors) The term of office of a director <u>(excluding a director serving on the Audit and Supervisory Committee)</u> shall expire upon the conclusion of the annual general meeting of the shareholders pertaining to the last business year ending within <u>one year</u> following his/her election.</p> <p>[Deleted]</p> <p><u>2. The term of office of a director serving on the Audit and Supervisory Committee shall expire upon the conclusion of the annual general meeting of the shareholders pertaining to the last business year ending within two years after his/her election.</u></p> <p><u>3. The term of office of a director serving on the Audit and Supervisory Committee elected to fill a vacancy created by the retirement of a director serving on the Audit and Supervisory Committee before the expiration of his/her term of office shall expire at the expiration of the term of office of the retired director.</u></p>
<p>Article 21. (Directors with Titles) The Board of Directors may, by resolution, appoint a representative director.</p> <p>2. The Board of Directors may, by resolution, appoint one president and, if necessary, one chairperson and several executive vice presidents, senior managing executive officers, and managing executive officers, respectively.</p>	<p>Article 21. (Directors with Titles) The Board of Directors may, by resolution, appoint a representative director <u>from among the directors (excluding a director serving on the Audit and Supervisory Committee).</u></p> <p>2. The Board of Directors may, by resolution, appoint one president and, if necessary, one chairperson and several executive vice presidents, senior managing executive officers, and managing executive officers, respectively, <u>from among the directors (excluding a director serving on the Audit and Supervisory Committee).</u></p>
<p>Article 22. (Board of Director Regulations) Matters regarding the Board of Directors shall be determined by applicable laws and regulations, the Articles of Incorporation, and the regulations of the Board of Directors established by the Board of Directors.</p>	<p>Article 22. (Board of Director Regulations) Matters regarding the Board of Directors shall be determined by applicable laws and regulations, the Articles of Incorporation, and the regulations of the Board of Directors established by the Board of Directors.</p>
<p>Article 23. (Convener and Chairperson of Board of Director Meetings) Unless otherwise provided for by applicable laws and regulations, meetings of the Board of Directors shall be convened and chaired by the president and representative director.</p> <p><u>If any</u> accident prevents the president and representative director from so acting, another director shall <u>act for the president and representative director according to</u> the order previously decided by the Board of Directors.</p>	<p>Article 23. (Convener and Chairperson of Board of Director Meetings) Unless otherwise provided for by applicable laws and regulations, meetings of the Board of Directors shall be convened and chaired by the president and representative director.</p> <p><u>2. In the event that an</u> accident prevents the president and representative director from so acting, another director shall <u>convene the meeting of the Board of Directors and serve as chairperson in accordance with</u> the order previously decided by the Board of Directors.</p>

Current Articles of Incorporation	Proposed Changes
<p>Article 24. (Notice of Convocation of a Meeting of the Board of Directors) The notice of convocation of a meeting of the Board of Directors shall be given to each director <u>and Audit & Supervisory Board member</u> at least three days prior to the date of such meeting; provided, however, that this may be shortened in the case of an emergency.</p> <p style="text-align: center;">[New]</p> <p>Article 25. (Omission of Resolution by Board of Directors) If the requirements under Article 370 of the Companies Act are met, it shall be deemed that a resolution of the Board of Directors has been validly made.</p> <p style="text-align: center;">[New]</p> <p>Article <u>26</u>. (Remuneration for Directors) Remuneration, bonuses, and other economic benefits to be provided by the Company as consideration for execution of duties of the directors (<u>hereinafter, "remuneration"</u>) shall be determined by resolution of a general meeting of the shareholders.</p> <p>Article <u>27</u>. (Exemption from Liability of Directors) [Omitted] 2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with directors (excluding executive directors, etc.) to the effect that their liability for damages arising from their failure to perform their duties shall be limited; provided, however, that the limit of the liability under such agreements shall be the amount prescribed by applicable laws and regulations.</p> <p style="text-align: center;">[New]</p> <p style="text-align: center;">[New]</p>	<p>Article 24. (Notice of Convocation of a Meeting of the Board of Directors) The notice of convocation of a meeting of the Board of Directors shall be given to each director at least three days prior to the date of such meeting; provided, however, that this <u>period</u> may be shortened in the case of an emergency.</p> <p><u>2. When all Board members are in agreement, a meeting of the Board of Directors may be held without following the procedures for convocation.</u></p> <p>Article 25. (Omission of Resolution by Board of Directors) If the requirements under Article 370 of the Companies Act are met, it shall be deemed that a resolution of the Board of Directors has been validly made.</p> <p><u>Article 26. (Delegation of Determination on Execution of Important Operations)</u> <u>Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate the determination on execution of important operations (excluding the matters stipulated in the items in Paragraph 5 of the same Article) to directors in whole or in part.</u></p> <p>Article <u>27</u>. (Remuneration for Directors) Remuneration, bonuses, and other economic benefits to be provided by the Company as consideration for execution of duties of the directors shall be determined by resolution of a general meeting of the shareholders, <u>and such determination shall be made by distinguishing between directors serving on the Audit and Supervisory Committee and other directors.</u></p> <p>Article <u>28</u>. (Exemption from Liability of Directors) [No change] 2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with directors (excluding executive directors, etc.) to the effect that their liability for damages arising from their failure to perform their duties shall be limited; provided, however, that the limit of the liability under such agreements shall be the amount prescribed by applicable laws and regulations.</p> <p style="text-align: center;"><u>Chapter 5. Audit and Supervisory Committee</u></p> <p><u>Article 29. (Full-time Audit and Supervisory Committee Members)</u> <u>The Audit and Supervisory Committee may, by resolution, select full-time Audit and Supervisory Committee members.</u></p>

Current Articles of Incorporation	Proposed Changes
[New]	<u>Article 30. (Audit and Supervisory Committee Regulations) Matters regarding the Audit and Supervisory Committee shall be determined by applicable laws and regulations, the Articles of Incorporation, and the regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee.</u>
[New]	<u>Article 31. (Notice of Convocation of Audit and Supervisory Committee Meetings) The notice of convocation of a meeting of the Audit and Supervisory Committee shall be given to each member at least three days prior to the date of such meeting; provided, however, that this period may be shortened in the case of an emergency.</u> <u>2. When all members are in agreement, a meeting of the Audit and Supervisory Committee may be held without following the procedures for convocation.</u>
<u>Chapter 5. Audit & Supervisory Board Members and Audit & Supervisory Board</u>	[Deleted]
<u>Article 28. (Number of Audit & Supervisory Board Members) The number of Audit & Supervisory Board members of the Company shall be no more than four.</u>	[Deleted]
<u>Article 29. (Election of Audit & Supervisory Board Members) Audit & Supervisory Board members are elected at the general meeting of shareholders.</u> <u>2. Audit & Supervisory Board members of the Company shall be elected by a majority vote of the shareholders present at the general meeting of the shareholders where the shareholders holding one-third (1/3) or more of the votes of the shareholders entitled to exercise their votes are present.</u>	[Deleted]
<u>Article 30. (Term of Office of Audit & Supervisory Board Members) The term of office of an Audit & Supervisory Board member shall expire upon the conclusion of the annual general meeting of the shareholders pertaining to the last business year ending within four years following his or her election.</u> <u>2. The term of office of an Audit & Supervisory Board member elected to fill a vacancy created by the retirement of an Audit & Supervisory Board member before the expiration of his/her term of office shall expire at the expiration of the term of office of the retired Audit & Supervisory Board member.</u>	[Deleted]
<u>Article 31. (Standing Audit & Supervisory Board Members) The Audit & Supervisory Board may, by resolution, select full-time Audit & Supervisory Board members.</u>	[Deleted]

Current Articles of Incorporation	Proposed Changes
<p><u>Article 32. (Audit & Supervisory Board Regulations)</u> <u>Matters regarding the Audit & Supervisory Board shall be determined by applicable laws and regulations, the Articles of Incorporation, and the regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board.</u></p>	[Deleted]
<p><u>Article 33. (Notice of Convocation of Audit & Supervisory Board Meetings)</u> <u>The notice of convocation of a meeting of the Audit & Supervisory Board shall be given to each member at least three days prior to the date of such meeting; provided, however, that this period may be shortened in case of an emergency.</u></p>	[Deleted]
<p><u>Article 34. (Remuneration for Audit & Supervisory Board Members)</u> <u>Remuneration and other to be provided to Audit & Supervisory Board members shall be determined by resolution of a general meeting of the shareholders</u></p>	[Deleted]
<p><u>Article 35. (Exemption from Liability of Audit & Supervisory Board Members)</u> <u>Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may exempt Audit & Supervisory Board members (including former Audit & Supervisory Board members) from liability for damages arising from their failure to perform their duties, to the extent permitted by applicable law and regulations, in accordance with a resolution of the Board of Directors.</u> <u>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Audit & Supervisory Board members to the effect that their liability for damages arising from their failure to perform their duties shall be limited; provided, however, that the limit of the liability under such agreements shall be the amount prescribed by applicable laws and regulations.</u></p>	[Deleted]
Chapter 6. Accounting	Chapter 6. Accounting
<p>Article <u>36.</u> (Business Year) [Omitted]</p>	<p>Article <u>32.</u> (Business Year) [No change]</p>
[New]	<p>Article 33. (Declaration of dividend, etc.) <u>Unless otherwise provided by law, matters stipulated in each item of Article 459, clause 1 of the Corporate Law, such as dividend distribution of surplus, shall be determined by a resolution of the Board of Directors of the Company.</u></p>
<p>Article <u>37.</u> (Record Date for Dividend Paid from Retained Earnings) [Omitted]</p>	<p>Article <u>34.</u> (Record Date for Dividends Paid from Retained Earnings) [No change]</p>
<p>Article 38. (Interim Dividends) [Omitted]</p>	<p>Article 35. (Interim Dividends) [No change]</p>

Current Articles of Incorporation	Proposed Changes
<p>Article <u>39</u>. (Expiration Period for Dividends) If a period of three full years passes from the payment commencement date for a cash dividend without acceptance of the payment, the Company shall be relieved of its obligation to pay the dividend. 2. [Omitted]</p> <p style="text-align: center;">[New]</p>	<p>Article <u>36</u>. (Expiration Period for Dividends) If a period of three full years passes from the payment commencement date for a cash dividend <u>and payment still has not been accepted</u>, the Company shall be relieved of its obligation to pay the dividend. 2. [No change]</p> <p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>Article 1. (Transitional Measures Concerning Exemption from Liability of Audit & Supervisory Board Members Before Transitioning to a Holding Company Structure and a Company with an Audit and Supervisory Committee)</u> <u>Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board members (including former Audit & Supervisory Board members) from liability for damages arising from their failure to perform their duties to the extent prescribed by applicable laws and regulations regarding conduct carried out before the partial amendments to the Articles of Incorporation resolved at the 50th Annual General Meeting of Shareholders take effect.</u> <u>2. The agreement to limit Audit & Supervisory Board members (including former Audit & Supervisory Board members) from liability for damages, as provided for in Article 423, Paragraph 1 of the Companies Act, arising from conduct carried out before the partial amendments to the Articles of Incorporation resolved at the 50th Annual General Meeting of Shareholders take effect shall be governed by Article 35, Section 2 of these Articles of Incorporation before their changes by resolution of this same Annual General Meeting of Shareholders.</u> <u>3. The stipulations in this article shall be deleted on the day ten years have passed since the effective date of the absorption-type company split pertaining to the absorption-type company split agreement approved at the 50th Ordinary General Meeting of Shareholders..</u></p> <p><u>Article 2. (Transitional Measures Related to the Transition to a Holding Company Structure and a Company with an Audit and Supervisory Committee)</u> <u>The partial changes to the Articles of Incorporation approved at the 50th Annual General Meeting of Shareholders, which are premised on the absorption-type split agreement being approved as written at the Annual General Meeting of Shareholders on the same date and the absorption-type split based on this absorption-type split agreement becoming effective, will go into effect on the effective date for this absorption-type split.</u> <u>2. This article will be deleted after the effective date for the former.</u></p>

End