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Securities Code: 1939

June 6, 2024

(Commencement date of measures for electronic provision: June 4, 2024)

To Shareholders with Voting Rights:

Yukio Sekiya
President and Representative
Director
YONDENKO CORPORATION
2-3-9 Hananomiya-cho,
Takamatsu city, Kagawa, Japan

**NOTICE OF
THE 73RD ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 73rd Annual General Meeting of Shareholders of YONDENKO CORPORATION (the “Company”) will be held for the purposes as described below.

The Company has, for convening this General Meeting of Shareholders, provided information contained in the Reference Documents for the General Meeting of Shareholders, etc. electronically (Electronic Provision Measures Matters). The Electronic Provision Measures Matters have been placed on the Company’s website as “Notice of the 73rd Annual General Meeting of Shareholders,” “Annual Report 2023,” and “Electronic Provision Measures Matters (matters not to be included in a paper copy delivered to shareholders) for the 73rd Annual General Meeting of Shareholders, etc.” Please access the Company’s website shown below to check them.

The Company’s website: <https://www.yondenko.co.jp/ir/meeting.php>

In addition to the above website, the Electronic Provision Measures Matters have been also placed on a website of Tokyo Stock Exchange (TSE). Please access the following TSE website (Listed Company Search), enter the issue name (the Company name) or securities code to search, then click on “Basic information” and “Documents for public inspection/PR information” to review them.

TSE website (Listed Company Search):

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

If you do not attend the meeting, you can exercise your voting rights with either of the methods below. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:10 p.m. on Wednesday, June 26, 2024, Japan time.

[Exercising Voting Rights in Writing]

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it arrives by the above exercise deadline.

[Exercising Voting Rights using Electromagnetic Means (the Internet, etc.)]

Please review the “Guide to Exercising Voting Rights using Electromagnetic Means (the Internet, etc.)” on page 4 of this notice of convocation, and enter your vote for or against the proposals by the above exercise deadline.

- 1. Date and Time:** Thursday, June 27, 2024 at 10:00 a.m. Japan time
(Reception starts at 9:00 a.m.)
- 2. Place:** 5th floor, the Company's head office, 2-3-9 Hananomiya-cho, Takamatsu city, Kagawa, Japan
(Please refer to the guide map showing the venue of the Annual General Meeting of Shareholders at the end of this Notice.)
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 73rd Fiscal Year (April 1, 2023 - March 31, 2024) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee Office of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 73rd Fiscal Year (April 1, 2023 - March 31, 2024)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 3:** Revision of Maximum Amount of Compensation under the Restricted Stock Compensation Plan for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members)
- 4. Matters Decided in Connection with this Convocation**
1. If voting rights are exercised in duplicate in writing and using electromagnetic means, the vote submitted using electromagnetic means shall be treated as valid.
 2. If voting rights are exercised multiple times using electromagnetic means, the final vote submitted shall be treated as valid.

End

(Notes)

- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- ◎ The following matters are posted on the Company's website and Tokyo Stock Exchange's website shown on page 1 of this notice of convocation, based on the relevant laws and regulations and the Company's Articles of Incorporation, and therefore, not included in the paper copy to be delivered to shareholders requesting provision of a paper copy. Note that the Audit and Supervisory Committee Office and the Accounting Auditor have audited the documents subject to audit, including the following matters.
 - (1) Notes to the consolidated financial statements in the Consolidated Financial Statements
 - (2) Notes to the non-consolidated financial statements in the Non-consolidated Financial Statements
- ◎ If revisions are made to the Electronic Provision Measures Matters, the revised versions will be posted on respective websites on which the matters have been placed.

* Please kindly note that, in consideration of fairness for both shareholders who attend the meeting and those who have difficulty attending, gifts for attending shareholders will not be offered at this General Meeting of Shareholders. We sincerely appreciate your understanding of this issue.

Proposals and References

Proposal 1: Appropriation of Surplus

The Company's policy for returning profits to shareholders is based on maintaining and enhancing the level of dividend while aiming for a consolidated payout ratio of 40% or more. In comprehensively considering matters including business performance, payout ratio, and ROE targets, with a focus on increasing shareholder value, the Company will return profits to shareholders through paying sustainable and performance-linked dividends.

With regard to the appropriation of surplus, the Company proposes the following, taking into consideration the basic policy stated above and its business performance during the fiscal year under review.

With regard to the year-end dividend, the Company proposes to pay ¥80 per share. Accordingly, combined with the interim dividend (¥60 yen per share) paid earlier, the annual dividend for the fiscal year under review will be ¥140 per share, an increase of ¥50 over the annual dividend of ¥90 paid in the previous fiscal year.

- Matters concerning year-end dividend
 - (1) Matters concerning the allotment of dividend property to shareholders and the total amount
¥80 per common stock of the Company
Total amount: ¥1,259,512,080
 - (2) Effective date of distribution of surplus
June 28, 2024

Proposal 2: Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this year's Annual General Meeting of Shareholders. In consideration of the balance in expertise of the Board members, the Company proposes to decrease the number of Directors by two (2), resulting in the election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members).

The Audit and Supervisory Committee Office has provided its opinion on this Proposal to the effect that all candidates are suitable for their respective positions.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name	Current positions and responsibilities at the Company	Term of office as Director	Attendance at the Board of Directors meetings
1	Yukio Sekiya [Reappointment]	President and Representative Director	4 years	10/10 (100%)
2	Naoki Yamasaki [Reappointment]	Director, Senior Managing Executive Officer, Officer in charge of Corporate Planning Dept., General Affairs Dept., and IT Systems Solution Office	4 years	9/10 (90%)
3	Takashi Nakagawa [Reappointment]	Director, Senior Managing Executive Officer, General Manager of Engineering Div., and Manager of Cost Management Office	3 years	10/10 (100%)
4	Yoshiro Yamamoto [Reappointment]	Director, Managing Executive Officer, and General Manager of Sales Div.	3 years	10/10 (100%)
5	Takahiro Yamaguchi [Reappointment]	Director, Managing Executive Officer, General Manager of Electric Power Div., and Officer in charge of Safety Dept.	1 year	8/8 (100%)
6	Tadashi Sano [Reappointment] [Outside] [Independent]	Director	3 years	10/10 (100%)
7	Minako Todani [Reappointment] [Outside] [Independent]	Director	1 year	8/8 (100%)

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Yukio Sekiya (February 18, 1961) [Reappointment]	April 1984 Joined Shikoku Electric Power Company, Incorporated (YONDEN)	23,665
		March 2011 Deputy General Manager of Matsuyama Branch Office, Senior Manager of Sales & Customer Service Dept. of YONDEN	
		June 2014 General Manager of Distribution Dept., Customer Service Div. of YONDEN	
		March 2016 General Manager of Distribution Dept., System Operation & Transmission Div. of YONDEN	
		June 2016 Corporate Officer, General Manager of Distribution Dept., System Operation & Transmission Div. of YONDEN	
		April 2018 Corporate Officer, Officer in charge of Distribution Dept., Power Transmission & Distribution Company of YONDEN	
		June 2019 Senior Corporate Officer, Senior Corporate Officer in charge of Distribution Dept., Power Transmission & Distribution Company of YONDEN	
		March 2020 Advisor to Electric Power Div. of the Company	
		June 2020 Senior Managing Executive Officer, General Manager of Electric Power Div., Officer in charge of Business Development Dept. and Safety Dept. of the Company	
June 2021 President and Representative Director of the Company (to present)			
<p>[Reason for nomination as candidate for Director] By leveraging a wide range of business experience and knowledge he had cultivated at Shikoku Electric Power Company, Incorporated, Mr. Sekiya has demonstrated his management skills as President and Representative Director of the Company in taking proactive action to deal with a variety of business issues and contributing to the performance of the Company. Therefore, we have renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
2	Naoki Yamasaki (October 30, 1961) [Reappointment]	April 1986	Joined Shikoku Electric Power Company, Incorporated (YONDEN)	12,465
		March 2014	Senior Manager of General Affairs Dept., Kochi Branch Office of YONDEN	
August 2016	Head of President's Office of the Company			
March 2017	General Manager of Corporate Planning and Public Relations Dept. of the Company			
June 2017	Executive Officer, General Manager of Corporate Planning and Public Relations Dept. of the Company			
June 2019	Managing Executive Officer, Head of President's Office, and General Manager of Corporate Planning and Public Relations Dept. of the Company			
June 2020	Managing Director, Officer in charge of Corporate Planning and Public Relations Dept., General Affairs Dept., and IT Systems Solution Office of the Company			
June 2021	Managing Director, Officer in charge of Corporate Planning Dept., General Affairs Dept., and IT Systems Solution Office of the Company			
		June 2023	Director, Senior Managing Executive Officer, Officer in charge of Corporate Planning Dept., General Affairs Dept., and IT Systems Solution Office of the Company (to present)	
[Reason for nomination as candidate for Director] By leveraging a wide range of business experience he had cultivated at Shikoku Electric Power Company, Incorporated, Mr. Yamasaki has performed his management duties in corporate planning and general affairs as Director and Senior Managing Executive Officer, and has contributed to the performance of the Company. Therefore, we have renominated him as a candidate for Director.				
3	Takashi Nakagawa (January 5, 1959) [Reappointment]	April 1977	Joined the Company	10,870
		March 2014	General Manager of Facility Works Dept., Kagawa Branch Office of the Company	
March 2018	General Manager of Sales Dept., Kagawa Branch Office of the Company			
October 2018	Executive Officer, General Manager of Sales Dept. and Deputy General Manager of Kagawa Branch Office of the Company			
June 2020	Managing Executive Officer, General Manager of Kagawa Branch Office of the Company			
June 2021	Managing Director, General Manager of Engineering Div. of the Company			
		June 2023	Director, Senior Managing Executive Officer, General Manager of Engineering Div., and Manager of Cost Management Office of the Company (to present)	
[Reason for nomination as candidate for Director] With a wide range of business experience in construction and facility works, Mr. Nakagawa has contributed to the performance of the Company as Director, Senior Managing Executive Officer, and General Manager of Engineering Division. Therefore, we have renominated him as a candidate for Director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
4	Yoshiro Yamamoto (December 1, 1960) [Reappointment]	April 1992	Joined the Company	12,416
		March 2015	General Manager of Facility Works Dept., Ehime Branch Office of the Company	
March 2017	General Manager of Sales Dept., Ehime Branch Office of the Company			
June 2018	Executive Officer, General Manager of Ehime Branch Office of the Company			
June 2019	Managing Executive Officer, General Manager of Ehime Branch Office of the Company			
June 2021	Managing Director, General Manager of Sales Div. of the Company			
June 2023	Director, Managing Executive Officer, General Manager of Sales Div. of the Company (to present)			
[Reason for nomination as candidate for Director] With a wide range of business experience in construction and facility works, Mr. Yamamoto has contributed to the performance of the Company as Director, Managing Executive Officer, and General Manager of Sales Division. Therefore, we have renominated him as a candidate for Director.				
5	Takahiro Yamaguchi (June 21, 1962) [Reappointment]	April 1986	Joined Shikoku Electric Power Company, Incorporated (YONDEN)	5,254
		April 2018	Deputy General Manager of Distribution Dept., Power Transmission & Distribution Company, and Manager of System Development Group, Distribution Dept. of YONDEN	
July 2019	Manager of Distribution Dept., Electric Power Div. of the Company			
June 2020	Executive Officer, Deputy General Manager of Electric Power Div., and Manager of Distribution Dept. of the Company			
June 2021	Managing Executive Officer, General Manager of Electric Power Div., and Officer in charge of Safety Dept. of the Company			
June 2023	Director, Managing Executive Officer, General Manager of Electric Power Div., and Officer in charge of Safety Dept. of the Company (to present)			
[Reason for nomination as candidate for Director] By leveraging a wide range of business experience he had cultivated at Shikoku Electric Power Company, Incorporated, Mr. Yamaguchi has contributed to the performance of the Company as Director, Managing Executive Officer, and General Manager of Electric Power Division. Therefore, we have renominated him as a candidate for Director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held			
6	Tadashi Sano (February 3, 1951) [Reappointment] [Outside] [Independent]	April 1973 June 2000 June 2004 June 2006 June 2010	Joined Japanese National Railways Director and General Manager of Automobile Div. of Shikoku Railway Company Managing Director and General Manager of Railway Business Div. of Shikoku Railway Company (Retired in June 2006) Representative Director and President of JR SHIKOKU HOTELS (Retired in June 2010) Representative Director and President of JR SHIKOKU BUS CO., LTD. (Retired in June 2014)	309		
		April 2014 June 2014 June 2016 June 2021 June 2023	Chief Director of Takamatsu Convention and Visitors Bureau (Retired in March 2024) Representative Director and President of JR Shikoku Marketing & Advertising Inc. Advisor to JR Shikoku Marketing & Advertising Inc. (to present) Director and Audit and Supervisory Committee Member of the Company (Retired in June 2023) Director of the Company (to present)	Tenure as Outside Director		
		[Significant concurrent positions] • Advisor to JR Shikoku Marketing & Advertising Inc.	3 years			
		[Reason for nomination as candidate for Outside Director and expected roles] Mr. Sano possesses a wide range of experience and knowledge as a manager of private companies and a chief director of a public interest corporation over many years. Considering that his objective and unbiased insights could be reflected in the management of the Company, we have renominated him as a candidate for Outside Director. He is expected to fulfill his role in supervising the management of the Company and achieving more active and efficient Board of Directors meetings from a neutral and independent standpoint such as by expressing opinions at the Board meetings.				
		7	Minako Todani (December 14, 1979) [Reappointment] [Outside] [Independent]	January 2001 April 2002 June 2012 September 2012 April 2013 April 2013 April 2023 June 2023	Auditor of Medical Corporation Seiwakai (to present) Joined Fuji Television Network, Inc. Retired from Fuji Television Network, Inc. Freelance announcer (to present) Joined Milly Inc. (to present) Ambassador of Culture and Tourism of Marugame City (to present) Expert member of Children's Future Strategy Council (to present) Director of the Company (to present)	154
				[Significant concurrent positions] • Freelance announcer	Tenure as Outside Director	
					1 year	
				[Reason for nomination as candidate for Outside Director and expected roles] Ms. Todani has an extensive network of contacts and experience she had cultivated through her work in the broadcasting industry and abroad, and she currently engages in the distribution of information locally while raising her own children, as well as serves in public positions for the government and municipality. In consideration of her potential for providing insights into the Company's initiatives to promote diversity, we have renominated her as a candidate for Outside Director. She is expected to fulfill her role in supervising the management of the Company and achieving more active and efficient Board of Directors meetings from a neutral and independent standpoint such as by expressing opinions at the Board meetings.		

- Notes:
1. There are no special interests between each candidate and the Company.
 2. Mr. Tadashi Sano and Ms. Minako Todani are candidates for Outside Directors. The Company has notified Tokyo Stock Exchange, Inc. of the designation of Mr. Tadashi Sano and Ms. Minako Todani as Independent Officers pursuant to the provisions of Tokyo Stock Exchange, Inc.
 3. The Company and Mr. Tadashi Sano and Ms. Minako Todani have respectively concluded an agreement to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. In the event that their appointment is approved, the Company plans to continue the said agreement with each of them.
 4. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. Provided, however, that there are certain exemptions; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered. The insurance contract also stipulates a deductible amount, and liability up to the deductible amount shall not be covered. The insurance premiums are fully borne by the Company. Also, the said insurance contracts will be renewed in June 2024. If the election of each candidate for Director is approved, each of them will be insured under the insurance contract.

(Reference 1)

[Major Skills and Experience, etc. (Skill Matrix) of Directors (excluding Directors who are Audit and Supervisory Committee Members)]

If Proposal 2 “Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)” is approved, the major skills and experiences, etc. (Skill Matrix) of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be as follows.

Of eleven (11) Directors including four (4) Audit and Supervisory Committee Members, nine (9) will be male and two (2) will be female, making the ratio of female Directors 18.2%.

No.	Name	Outside/ Independent	Corporate Planning/ Management	Construction Facility Technology/ Sales	Electric Power Facility Technology	Management in Other Industries	Legal/ Accounting	Social/ Diversity
1	Yukio Sekiya	—	◎		◎			
2	Naoki Yamasaki	—	◎					
3	Takashi Nakagawa	—		◎				
4	Yoshiro Yamamoto	—		◎				
5	Takahiro Yamaguchi	—			◎			
6	Tadashi Sano	[Outside] [Independent]				◎		
7	Minako Todani	[Outside] [Independent]						◎

(Reference 2)

[Major Skills and Experience, etc. (Skill Matrix) of Directors who are Audit and Supervisory Committee Members]

The major skills and experiences, etc. (Skill Matrix) of Directors who are Audit and Supervisory Committee Members are as follows.

No.	Name	Outside/ Independent	Corporate Planning/ Management	Construction Facility Technology/ Sales	Electric Power Facility Technology	Management in Other Industries	Legal/ Accounting	Social/ Diversity
-	Soroku Hashikura	[Outside] [Independent]				◎		
-	Hiroshi Kawahara	[Outside]			◎			
-	Masafumi Okabayashi	[Outside] [Independent]					◎	
-	Miki Hirano	[Outside] [Independent]					◎	

- Notes: 1. The individuals listed above are not candidates for the election of Directors proposed in the Meeting.
2. The above is a list of Directors who are Audit and Supervisory Committee Members after the Meeting.

Proposal 3: Revision of Maximum Amount of Compensation under the Restricted Stock Compensation Plan for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members)

At the 72nd Annual General Meeting of Shareholders held on June 29, 2023, it was approved that the Company provides an annual amount of up to ¥50 million as compensation related to restricted stock for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members; hereinafter, referred to as “Eligible Directors”) of the Company, aside from the compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members), which is an annual amount of up to ¥200 million, including up to ¥20 million for Outside Directors.

In response to recent business results of the Company and strong performance of the stock price after the introduction of a Restricted Stock Compensation Plan (hereinafter, referred to as the “Plan”) in 2020, and in order to prepare for increased monetary compensation claims in the future, the Company requests approval for revising the total amount of monetary compensation claims to be paid as compensation related to restricted stock for Eligible Directors to up to ¥100 million per year. The maximum number of shares to be allocated remains unchanged at 60,000 shares per year, as it was adjusted through a share split at a ratio of 2 shares for 1 common share effective October 1, 2021.

The Company believes that this change is appropriate considering the purpose of the Plan and various matters including its business results, and for the purpose of having Eligible Directors share the benefits and risks of stock price fluctuations with shareholders and further motivating Eligible Directors to contribute to a rise in stock price and an increase in corporate value, the Company proposes the allocation of common shares of the Company subject to the provision of a certain transfer restriction period and the conditions for gratis acquisition by the Company (hereinafter, referred to as “Restricted Stock”) as follows.

If this Proposal is approved, the Company intends to make necessary adjustments to the policy for determining compensation, etc. for individual Directors to achieve consistency with the approved contents, at the Board of the Directors meeting after the conclusion of this General Meeting of Shareholders.

While there are currently seven (7) Eligible Directors, if Proposal 2 is approved and resolved as proposed, the number of Eligible Directors will be five (5).

Specifics and maximum number of shares of Restricted Stock to be allocated to Eligible Directors

1. Allotment and payment of Restricted Stock

With respect to compensation related to Restricted Stock for Eligible Directors, the Company will pay monetary compensation claims within the above annual amount upon consultation with the Nomination and Remuneration Committee and based on the resolution by the Board of Directors of the Company, and each of Eligible Directors will make in-kind contribution of all of these monetary compensations claims to receive an allotment of Restricted Stock.

The amount to be paid for Restricted Stock will be determined by the Board of Directors based on the closing price of the Company’s ordinary shares on the Tokyo Stock Exchange as of the business day prior to the day of the resolution of the Board of Directors of the Company (or the most-recent prior closing price if no transactions were executed on that day) related to the issuance and/or disposition of said stock, the value of which is within the extent that the amount will not be especially favorable to the Directors receiving such Restricted Stock.

In addition, the aforementioned monetary compensation claims will be provided on the condition that Eligible Directors agree to in-kind contribution as described above and that they conclude an agreement on the allotment of Restricted Stock that includes the details provided in 3. below.

2. Total number of Restricted Stock

The maximum number of Restricted Stock to be allotted in each fiscal year shall be 60,000 shares (*), which is the total number of Restricted Stock to be allotted to Eligible Directors.

However, when adjustment of the total number of Restricted Stock to be allotted is necessary in the case of a stock split of the Company’s ordinary shares (including gratis allotment of the Company’s ordinary shares), a reverse stock split, or other similar event after the date of resolution of this Proposal, the Company may adjust the total number of such Restricted Stock in a reasonable manner.

*Because the Company conducted a stock split effective October 1, 2021, at a ratio of 2 shares for 1

common share, 30,000 shares have been adjusted to 60,000 shares.

3. Details of an agreement on the allotment of Restricted Stock

In the allotment of Restricted Stock, an agreement on the allotment of Restricted Stock concluded between the Company and Eligible Directors receiving an allotment of Restricted Stock based on a resolution by the Board of Directors of the Company shall include the following details.

(1) Details of transfer restriction

Eligible Directors receiving an allotment of Restricted Stock may not transfer to a third party, pledge, assign as security rights, use as inter vivos gift, bequest, or engage in any other act of disposal for Restricted Stock allotted to said Eligible Directors (hereinafter, referred to as the "Allotted Stock") for a period from the date of issuance of restricted stock until the date on which said Eligible Directors cease to hold any position as either Director or Executive Officer of the Company (hereinafter, referred to as the "Transfer Restriction Period") (hereinafter, referred to as the "Transfer Restriction").

(2) Gratis acquisition of Restricted Stock

In the event that Eligible Directors receiving an allotment of Restricted Stock cease to hold any position as either Director or Executive Officer of the Company by the day before the first Annual General Meeting of Shareholders after the date of commencement of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Stock gratis, unless the reason for such retirement is recognized justifiable by the Board of Directors of the Company.

Furthermore, the Company shall automatically acquire the Allotted Stock gratis for which the Transfer Restriction is not released at the time of expiration of the Transfer Restriction Period as stated in (1) above based on the provisions of release of the Transfer Restriction as provided in (3) below.

(3) Release of Transfer Restriction

The Company shall release the Transfer Restriction of all of the Allotted Stock at the time of the expiration of the Transfer Restriction Period, on the condition that Eligible Directors receiving an allotment of Restricted Stock continue to be in a position as Director or Executive Officer of the Company until the day of the first Annual General Meeting of Shareholders after the date of commencement of the Transfer Restriction Period.

However, in the event that such Eligible Directors cease to hold any position as either Director or Executive Officer of the Company by the day before the first Annual General Meeting of Shareholders after the date of commencement of the Transfer Restriction Period due to reasons recognized justifiable by the Board of Directors of the Company, the number of the Allotted Stock of which the Transfer Restriction is to be released and the timing of the release of the Transfer Restriction shall be reasonably adjusted as necessary.

(4) Handling in the event of organizational restructuring

If, during the Transfer Restriction Period, a merger agreement by which the Company becomes the defunct company, a stock exchange agreement or stock transfer plan by which the Company becomes a wholly-owned subsidiary, or any other proposals related to reorganization, etc., are approved by a General Meeting of Shareholders of the Company (however, when the concerned organizational restructuring, etc., does not require approval by the General Meeting of Shareholders of the Company, then approval by the Board of Directors), the Company shall release the Transfer Restriction by a resolution of the Board of Directors of the Company in advance of the effective date of the concerned organizational restructuring, etc., for a reasonably specified number of the Allotted Stock, bearing in mind the period from the date of commencement of the Transfer Restriction Period until the date of approval of the concerned organizational restructuring, etc.

In this case, the Company shall automatically acquire the Allotted Stock gratis of which the Transfer Restriction has not been released at the point immediately after the Transfer Restriction was released based on the provisions above.