

(FOR REFERENCE PURPOSE ONLY)

Securities Code: 4528

May 26, 2021

To Our Shareholders

Gyo Sagara
President, Representative Director & CEO
Ono Pharmaceutical Co., Ltd.
1-5, Doshomachi 2-chome, Chuo-ku, Osaka, Japan
Head Office:
8-2, Kyutaromachi 1-chome, Chuo-ku, Osaka, Japan

NOTICE TO CONVENE THE 73RD ORDINARY GENERAL SHAREHOLDERS' MEETING

We hereby notify you that the 73rd Ordinary General Shareholders' Meeting (hereinafter the "Meeting") of Ono Pharmaceutical Co., Ltd. (hereinafter "We" or the "Company") will be held as described below.

In light of the current situation concerning the coronavirus disease 2019 (COVID-19), in order to ensure the safety and health of our Shareholders, as well as to prevent the spread of the infection, the Company encourages each Shareholder to exercise the Voting Rights in writing or by electronic means (via the Internet, etc.) beforehand instead of attending the Meeting at the venue.

To exercise Voting Rights in advance, please review the attached Reference Materials for the Shareholders' Meeting and exercise your voting rights by 5 p.m. on Wednesday, June 16, 2021 (JST).

1. Date and Time: 10 a.m., Thursday, June 17, 2021 (Entry will start at 9 a.m.)

2. Place: Peacock Room, 3F, IMPERIAL HOTEL OSAKA
8-50, Temmabashi 1-chome, Kita-ku, Osaka, Japan

3. Agenda:

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 73rd Fiscal Year (from April 1, 2020 to March 31, 2021), as well as the Audit Report on the Consolidated Financial Statements for the 73rd Fiscal Year by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 73rd Fiscal Year (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Eight (8) Members of the Board of Directors
Proposal 3: Election of One (1) Audit & Supervisory Board Member
Proposal 4: Determination of Specific Details of Stock-Based Remuneration-Type Stock Options for Members of the Board of Directors

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4. Guidance Notes on the Exercise of Voting Rights

■ Exercise of Voting Rights in writing (via postal mail)

Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it so that it will reach us by the due date and time for exercise.

Due Date and time for Exercise: 5 p.m., Wednesday, June 16, 2021 (JST)

■ Exercise of Voting Rights by electronic means (via the Internet, etc.)

Please access the website at <https://www.web54.net> with the “Voting Rights Exercise Code” and password printed on the enclosed Voting Rights Exercise Form, and select the electronic voting option and exercise your voting rights in accordance with the instructions on the website by the due date and time for exercise.

If you exercise your voting rights via a smartphone, “Smart Voting” system is available for use.

Due Date and time for Exercise: 5 p.m., Wednesday, June 16, 2021 (JST)

If you are an institutional investor, “Electronic Voting Platform” managed by Investor Communications Japan, Inc. (ICJ) is available for use.

- If you exercise your voting rights both in writing (via postal mail) and by electronic means, only the vote cast by electronic means will be regarded as valid.
- If you exercise your voting rights more than once by electronic means, only the last vote will be regarded as valid.

Please present the enclosed Voting Rights Exercise Form at the reception desk upon your arrival at the Meeting place.

(If any changes are made to the Reference Materials for the Shareholders’ Meeting, Business Reports, Consolidated Financial Statements and/or Non-Consolidated Financial Statements, they will be posted on the Company’s website (<https://www.ono.co.jp/>).

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Reference Materials for the Shareholders' Meeting

Proposals and Reference Items

Proposal 1: Appropriation of Surplus

Regarding the return of profits to shareholders as one of our important management policies, our policy on distribution of profits is to make distribution(s) commensurate with the business results while keeping in mind the importance of a stable and continuing payment of dividend.

For this fiscal year, we propose a year-end dividend of ¥27.50 per share. This would, together with the interim dividend of ¥22.50 per share, make the total annual dividend ¥50 per share (an increase of ¥5 from the previous fiscal year). The details are as follows:

Year-End Dividend

(1) Type of dividend property

Cash

(2) Allocation of dividend property to shareholders and total amount of such allocation

¥27.50 per share of common stock Total dividend amount: ¥13,728,173,058

(3) Effective date of the distribution of the dividend

June 18, 2021

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Proposal 2: Election of Eight (8) Members of the Board of Directors

The terms of office of all eight (8) current Members of the Board of Directors will expire at the close of the Meeting. Therefore, eight (8) Members of the Board of Directors, including three (3) Outside Directors, are proposed to be elected.

The candidates for Members of the Board of Directors were determined by the Board of Directors after the deliberation at the “Executive Appointment Meeting” where Outside Directors account for a majority.

The candidates for Members of the Board of Directors are as follows:

No.	Name	Current Positions and Assignments in the Company and Important Concurrent Holding of Positions	Number of Board of Directors’ Meetings Attended
1	Reappointment Gyo Sagara	Representative Director, President & CEO	13/13 (100%)
2	Reappointment Toshihiro Tsujinaka	Member of the Board of Directors, Executive Officer Executive Director, Corporate Strategy & Planning	9/9* (100%)
3	Reappointment Toichi Takino	Member of the Board of Directors, Executive Officer Executive Director, Discovery & Research	9/9* (100%)
4	Reappointment Isao Ono	Member of the Board of Directors, Executive Officer Director, Corporate Research	13/13 (100%)
5	New appointment Kiyooki Idemitsu	Executive Officer Executive Director, Clinical Development	— —
6	Reappointment Outside Independent Masao Nomura	Member of the Board of Directors Senior Adviser to the Board, Iwatani Corporation Outside Director, Keihanshin Building Co., Ltd. Outside Director, NEW COSMOS ELECTRIC CO., LTD. (to be retired in June 2021)	13/13 (100%)
7	Reappointment Outside Independent Akiko Okuno	Member of the Board of Directors Professor, Faculty of Business Administration, KONAN UNIVERSITY	8/9* (88.9%)
8	New appointment Outside Independent Shusaku Nagae	Director, Chairman of the Board, Panasonic Corporation (to be retired in June 2021) Chairman, Vehicle Information and Communication System Center	— —

New appointment Candidates for Directors to be newly appointed
 Reappointment Candidates for Directors to be reappointed
 Outside Candidates for Outside Directors
 Independent Independent Directors registered with the Tokyo Stock Exchange

*Notes:

* The Board of Directors’ Meetings were held 9 times following the election of Toshihiro Tsujinaka, Toichi Takino, and Akiko Okuno as Members of the Board of Directors.

No.	Brief biographic outlines, positions, assignments, and status of important concurrent holding of positions
<p data-bbox="279 246 399 280">1</p> <p data-bbox="319 324 494 358">Reappointment</p> <p data-bbox="327 392 486 425">Gyo Sagara</p> <p data-bbox="319 436 494 470">(October 7, 1958)</p> <p data-bbox="295 571 518 660">Number of the Company's shares held 55,200</p>	<p data-bbox="603 324 1369 358">April 1983 Joined the Company</p> <p data-bbox="603 369 1369 459">April 2006 Executive Director, General Administration and Senior Director, Corporate Management</p> <p data-bbox="603 470 1369 504">June 2006 Member of the Board of Directors</p> <p data-bbox="603 504 1369 537">April 2007 Executive Director, Corporate Management</p> <p data-bbox="603 537 1369 571">November 2007 Executive Director, Sales and Marketing</p> <p data-bbox="603 571 1369 638">December 2007 Managing Member of the Board of Directors</p> <p data-bbox="603 638 1369 705">February 2008 Member of the Board of Directors, Vice President</p> <p data-bbox="603 705 1369 739">April 2008 Executive Director, Corporate Management</p> <p data-bbox="603 739 1369 772">June 2008 Vice President and Representative Director</p> <p data-bbox="603 772 1369 840">September 2008 President, Representative Director & CEO (to date)</p>
<p data-bbox="279 862 399 896">No. 2</p> <p data-bbox="319 940 494 974">Reappointment</p> <p data-bbox="279 1008 534 1041">Toshihiro Tsujinaka</p> <p data-bbox="303 1064 510 1097">(December 18, 1964)</p> <p data-bbox="295 1187 518 1276">Number of the Company's shares held 10,200</p>	<p data-bbox="603 862 1369 929">Brief biographic outlines, positions, assignments, and status of important concurrent holding of positions</p> <p data-bbox="603 940 1369 974">April 1988 Joined the Company</p> <p data-bbox="603 974 1369 1008">June 2004 Director, Koshinetsu Branch Sales Division</p> <p data-bbox="603 1008 1369 1041">July 2006 Director, Tokyo Branch 2 Sales Division</p> <p data-bbox="603 1041 1369 1075">November 2007 Senior Director, Sales Operations</p> <p data-bbox="603 1075 1369 1108">August 2008 Senior Director, Marketing Strategy Planning</p> <p data-bbox="603 1108 1369 1142">April 2009 Senior Director, Sales Operations</p> <p data-bbox="603 1142 1369 1176">October 2012 Director, Sendai Branch Sales Division</p> <p data-bbox="603 1176 1369 1209">October 2013 Director, Nagoya Branch Sales Division</p> <p data-bbox="603 1209 1369 1276">October 2015 Senior Director, Oncology Planning & Promotion</p> <p data-bbox="603 1276 1369 1310">April 2016 Division Director, Oncology Business Division</p> <p data-bbox="603 1310 1369 1344">June 2016 Corporate Officer</p> <p data-bbox="603 1344 1369 1411">October 2018 Executive Director, Corporate Strategy & Planning</p> <p data-bbox="603 1411 1369 1444">June 2019 Executive Officer</p> <p data-bbox="603 1444 1369 1512">October 2019 Executive Director, Corporate Strategy & Planning and Senior Director, Business Design</p> <p data-bbox="603 1512 1369 1579">June 2020 Member of the Board of Directors, Executive Officer (to date)</p> <p data-bbox="603 1579 1369 1646">October 2020 Executive Director, Corporate Strategy & Planning (to date)</p>

<p>No. 3</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</p> <p>Toichi Takino (January 14, 1968)</p> <p>Number of the Company's shares held 11,600</p>	<p>Brief biographic outlines, positions, assignments, and status of important concurrent holding of positions</p> <p>April 1995 Joined the Company</p> <p>April 2006 Senior Director, International Business</p> <p>April 2008 Senior Director, Business Development</p> <p>May 2008 Senior Director, Global Business Development & Licensing</p> <p>July 2009 Vice President, ONO PHARMA USA, INC.</p> <p>June 2011 Corporate Officer</p> <p>April 2012 Executive Director, Corporate Development & Strategy</p> <p>October 2018 Executive Director, Discovery and Research Division</p> <p>April 2019 Executive Director, Discovery & Research (to date)</p> <p>June 2019 Executive Officer</p> <p>June 2020 Member of the Board of Directors, Executive Officer (to date)</p>
<p>No. 4</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</p> <p>Isao Ono (January 3, 1959)</p> <p>Number of the Company's shares held 1,510,675</p>	<p>Brief biographic outlines, positions, assignments, and status of important concurrent holding of positions</p> <p>April 1981 Joined the Company</p> <p>February 1986 Member of the Board of Directors</p> <p>May 1990 Deputy Executive Director, Production</p> <p>June 1992 Senior Director, Human Resources Development and Assistant Director of Tokyo Branch Office</p> <p>August 1995 Director, CI</p> <p>September 2005 Director, Environmental Management</p> <p>June 2011 Member of the Board of Directors, Corporate Officer</p> <p>April 2014 Director, Corporate Research (to date)</p> <p>June 2015 Member of the Board of Directors, Executive Officer (to date)</p>

<p>No. 5</p> <p>New appointment</p> <p>Kiyoaki Idemitsu (March 12, 1964)</p> <p>Number of the Company's shares held 4,200</p>	<p>Brief biographic outlines, positions, assignments, and status of important concurrent holding of positions</p> <p>April 1987 Joined the Company</p> <p>December 2000 President, ONO PHARMA UK LTD.</p> <p>January 2008 Senior Director, Discovery Research Alliance</p> <p>January 2010 Senior Director, Global Business Development & Licensing</p> <p>April 2012 Division Director, Discovery Research Alliance Division</p> <p>October 2013 Senior Director, Nivolumab Strategic Planning</p> <p>April 2017 Division Director, Medical Affairs Division</p> <p>October 2018 Corporate Officer</p> <p>October 2018 Executive Director, Clinical Development (to date)</p> <p>June 2020 Executive Officer (to date)</p>
<p>No. 6</p> <p>Reappointment</p> <p>Outside</p> <p>Independent</p> <p>Masao Nomura (August 2, 1949)</p> <p>Number of the Company's shares held 5,000</p>	<p>Brief biographic outlines, positions, assignments, and status of important concurrent holding of positions</p> <p>March 1972 Joined Iwatani Corporation</p> <p>June 2007 Director, Executive Officer, Iwatani Corporation</p> <p>April 2009 Executive Director, Executive Officer, Iwatani Corporation</p> <p>April 2010 Senior Executive Director, Executive Officer, Iwatani Corporation</p> <p>June 2012 President, Representative Director, Executive Officer, Iwatani Corporation</p> <p>April 2017 Director, Senior Adviser to the Board, Executive Officer, Iwatani Corporation</p> <p>June 2017 Senior Adviser to the Board, Iwatani Corporation (to date)</p> <p>June 2018 Member of the Board of Directors, Outside Director (to date)</p> <p>June 2019 Outside Director, Keihanshin Building Co., Ltd. (to date)</p> <p>June 2020 Outside Director, NEW COSMOS ELECTRIC CO., LTD. (to date)</p> <p>[Status of important concurrent holding of positions] Senior Adviser to the Board, Iwatani Corporation Outside Director, Keihanshin Building Co., Ltd. Outside Director, NEW COSMOS ELECTRIC CO., LTD. (to be retired in June 2021)</p>

<p>No. 7</p> <p>Reappointment Outside Independent</p> <p>Akiko Okuno (November 17, 1970)</p> <p>Number of the Company's shares held 0</p>	<p>Brief biographic outlines, positions, assignments, and status of important concurrent holding of positions</p> <p>April 2002 Associate Professor, Faculty of Economics, Osaka University of Economics and Law</p> <p>April 2004 Associate Professor, Faculty of Business Administration, Tezukayama University</p> <p>April 2010 Professor, Faculty of Business Administration, Tezukayama University</p> <p>April 2012 Professor, Faculty of Business Administration, KONAN UNIVERSITY (to date)</p> <p>June 2020 Member of the Board of Directors, Outside Director (to date)</p> <p>[Status of important concurrent holding of positions] Professor, Faculty of Business Administration, KONAN UNIVERSITY</p>
<p>No. 8</p> <p>New appointment Outside Independent</p> <p>Shusaku Nagae (January 30, 1950)</p> <p>Number of the Company's shares held 0</p>	<p>Brief biographic outlines, positions, assignments, and status of important concurrent holding of positions</p> <p>April 1972 Joined Matsushita Electric Works, Ltd.</p> <p>December 2004 Managing Executive Officer, Matsushita Electric Works, Ltd.</p> <p>June 2007 Managing Director, Matsushita Electric Works, Ltd.</p> <p>June 2010 Representative Director, President, Panasonic Electric Works Co., Ltd.</p> <p>April 2011 Senior Managing Executive Officer, Panasonic Corporation</p> <p>June 2012 Representative Director, Executive Vice President, Panasonic Corporation</p> <p>June 2013 Representative Director, Chairman of the Board of Directors, Panasonic Corporation</p> <p>June 2017 Director, Chairman of the Board, Panasonic Corporation (to date)</p> <p>[Status of important concurrent holding of positions] Director, Chairman of the Board, Panasonic Corporation (to be retired in June 2021) Chairman, Vehicle Information and Communication System Center</p>

- Notes:
1. There is no special interest between each of these candidates and the Company.
 2. Masao Nomura, Akiko Okuno and Shusaku Nagae are the candidates for Outside Directors.
 3. The reasons why the Company appoints these candidates as Outside Directors and their expected roles are outlined as follows:
 - 1) Masao Nomura has ample experience and expert knowledge gained through his long career as a corporate manager. Since assuming the position as an Outside Director in 2018, he has sufficiently fulfilled the duties of an Outside Director by providing advice and suggestions on the Company's overall management as well as by appropriately monitoring and supervising business execution from an independent point of view. Based on his experience, knowledge and past performance, the Company

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believes that he will continue to properly fulfill the responsibilities of an Outside Director and has proposed him as a candidate.

- 2) Akiko Okuno has advanced academic knowledge as a university professor specializing in business administration. Since assuming the position as an Outside Director in 2020, she has sufficiently fulfilled the duties of an Outside Director by providing advice and suggestions based on her knowledge in her specialized fields, such as women's labor and personnel evaluation systems as well as by appropriately monitoring and supervising business execution from an independent point of view. Although she has not been directly involved in corporate management, the Company believes that she will continue to properly fulfill the responsibilities of an Outside Director, based on her expertise gained through research in business administration as well as her past performance, and has proposed her as a candidate.
- 3) Shusaku Nagae has ample experience and expert knowledge gained through his long career as a corporate manager. Since the Company expects that he can strengthen the function of the Company's Board of Directors through his appropriate monitoring and supervision of the Company's management from an independent point of view and his advice and suggestions concerning the Company's overall management with his experience and knowledge thereof, the Company has proposed him as a candidate.
4. Panasonic Corporation, where Shusaku Nagae serves as Director, Chairman of the Board, and its U.S. subsidiary, Panasonic Avionics Corporation (hereinafter "PAC"), agreed with the United States Securities and Exchange Commission and the United States Department of Justice in May 2018 to pay \$280,602,830.93 to the U.S. government and to engage in diverse activities to improve compliance, in light of an investigation for alleged violations of the Foreign Corrupt Practices Act and other securities laws in connection with certain contracts with airline customers and the use of sales agents and consultants pertaining to such contracts by PAC.
5. Masao Nomura will have been in office as an Outside Director for 3 years at the close of the Meeting. Akiko Okuno will have been in office as an Outside Director for 1 year at the close of the Meeting.
6. With Masao Nomura and Akiko Okuno, the Company has entered into agreements which limit the maximum amount of liabilities for damage set forth in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount provided by laws and regulations. If the election of them is approved as proposed, the Company plans to continue such agreements. If the election of Shusaku Nagae is approved as proposed, the Company also plans to newly enter into such agreement with him.
7. The Company has executed a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages from a shareholder or a third party, etc., the said insurance contract will compensate for damages including compensation for damages and legal expenses to be borne by the insureds. If the election of each candidate is approved as proposed, they will become the insured under the said insurance contract. The Company plans to renew the said insurance contract in July 2021.
8. Masao Nomura and Akiko Okuno have been registered as independent directors defined in the regulations of the Tokyo Stock Exchange. If the election of them is approved as proposed, they will continue to serve as independent directors. If the election of Shusaku Nagae is approved as proposed, he will also serve as an independent director.

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Proposal 3: Election of One (1) Audit & Supervisory Board Member

One of the Audit & Supervisory Board Members, Shinji Fujiyoshi, will resign at the close of the Meeting. Therefore, one (1) Audit & Supervisory Board Member is proposed to be elected.

As Hironobu Tanisaka is a candidate for Audit & Supervisory Board Member to fill in for Shinji Fujiyoshi, his term of office will be the remaining term of office of the retiring Audit & Supervisory Board Member pursuant to the provisions of Article 30 of the Company's Articles of Incorporation.

The candidate for Audit & Supervisory Board Member was determined by the Board of Directors after the deliberation at the "Executive Appointment Meeting" where Outside Directors account for a majority.

The Audit & Supervisory Board has agreed to this proposal.

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

<p>New appointment</p> <p>Hironobu Tanisaka (April 30, 1961)</p> <p>Number of the Company's shares held 1,200</p>	<p>Brief biographic outlines, positions, and status of important concurrent holding of positions</p> <p>April 1984 Joined the Company August 2007 Senior Director, Legal Department January 2018 Senior Director, Business Audit Department (to date)</p>
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- Notes:
1. There is no special interest between the candidate and the Company.
 2. The Company has executed a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages from a shareholder or a third party, etc., the said insurance contract will compensate for damages including compensation for damages and legal expenses to be borne by the insureds. If the election of the candidate is approved as proposed, he will become the insured under the said insurance contract. The Company plans to renew the said insurance contract in July 2021.

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Reference

Composition of the Audit & Supervisory Board after approval of Proposal 3 (Provisional)

Name	Current Positions in the Company and Important Concurrent Holding of Positions	Number of Board of Directors' Meetings Attended	Number of Audit & Supervisory Board's Meetings Attended
Current Katsuyoshi Nishimura	Full-time Audit & Supervisory Board Member	13/13 (100%)	19/19 (100%)
New appointment Hironobu Tanisaka	Senior Director, Business Audit Department	—	—
Current Outside Independent Yasuo Hishiyama	Audit & Supervisory Board Member Partner Attorney at Law, TANABE & PARTNERS Member of appraisal committee (Land Lease Non-Contentious Cases) at Tokyo District Court	13/13 (100%)	19/19 (100%)
Current Outside Independent Akiko Tanabe	Audit & Supervisory Board Member Representative, Akiko Tanabe CPA office Outside Director, OIE SANGYO CO., LTD. Partner of Midosuji Audit Corporation	12/12 (100%)	18/18 (100%)

New appointment Candidate for Audit & Supervisory Board Member to be newly appointed
 Current Current Audit & Supervisory Board Members
Outside Outside Audit & Supervisory Board Members
Independent Independent Auditors registered with the Tokyo Stock Exchange

(Note) Board of Directors' Meetings were held 12 times, and Audit & Supervisory Board's Meetings were held 18 times following the election of Akiko Tanabe as an Audit & Supervisory Board Member (including the period during which she served as a provisional Audit & Supervisory Board Member).

Proposal 4: Determination of Specific Details of Stock-Based Remuneration-Type Stock Options for Members of the Board of Directors

The amount of remuneration for Members of the Board of Directors, excluding Outside Directors, relating to stock acquisition rights allotted as stock options was approved at the 67th Ordinary General Shareholders' Meeting held on June 26, 2015, to set at ¥ 100 million or less per year, which remains unchanged up to now.

Since matters to be resolved at General Shareholders' Meeting regarding details of stock-based remuneration-type stock options have been clarified as a result of the enforcement of the Act Partially Amending the Companies Act (Act No. 70 of 2019) and other relevant regulations, the Company requests the approval of shareholders for the following details of stock acquisition rights in order to maintain the current system of stock options (The underlined parts are added to the resolution of the 67th Ordinary General Shareholders' Meeting).

The purpose of the stock options under this proposal is to clearly motivate Members of the Board of Directors toward the enhancement of corporate value over the medium to long term from the same perspective as shareholders, and the number of stock acquisition rights to be granted is determined in accordance with their contributions to decision-making for sustainable growth toward the future, while also taking into account business results and stock price levels. This is in line with our "Policy on the Details of Remuneration, etc., of Individual Member of the Board of Directors," in the Business Report and the Company believes that the details of the stock options are appropriate. In allotting stock acquisition rights, the Company plans to introduce a method whereby, instead of paying the amount determined on the basis of fair value, payment will be made by offsetting against this amount the remuneration rights of Member of the Board of Directors, based on their remuneration, etc. in the form of stock acquisition rights as stock-based remuneration-type stock options under this proposal.

Currently, there are eight (8) Members of the Board of Directors in total, including three (3) Outside Directors. If Proposal 2 (Election of Eight (8) Members of the Board of Directors) is approved as proposed, the number of Members of the Board of Directors will be eight (8), including three (3) Outside Directors.

- (1) Total number of stock acquisition rights and the class and number of shares subject to stock acquisition rights
 - 1) Total number of stock acquisition rights
The maximum number of stock acquisition rights to be allotted within the one-year period beginning on the day of the Ordinary General Shareholders' Meeting for each fiscal year will be 150.
 - 2) Class and number of shares subject to stock acquisition rights
The class of shares subject to stock acquisition rights will be shares of common stock of the Company. The number of shares to be delivered upon exercise of one stock acquisition

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right (hereinafter referred to as the “Number of Shares Deliverable”) will be 500 shares. However, in the event that the Company splits shares of common stock (including a gratis allotment of shares of common stock; the same applies hereafter regarding share splits) or consolidates shares of common stock, the Company will conduct necessary adjustment if changes in the Number of Shares Deliverable are appropriate. Moreover, in the event that adjustment to the Number of Shares Deliverable becomes necessary due to the Company’s corporate merger or company split, etc., the Company may adjust the Number of Shares Deliverable within reasonable extent. Any fraction of a share resulting from the above adjustment will be rounded down to the nearest number of shares.

(2) Amount payable for stock acquisition rights

The amount payable for each stock acquisition right will be determined by the Company’s Board of Directors based on the fair value of the stock acquisition right, calculated using a fair calculation method such as the Black Scholes model at the time of the allotment of stock acquisition rights.

(3) Value of property to be contributed on the exercise of stock acquisition rights

The value of property to be contributed on the exercise of stock acquisition rights will be calculated by multiplying the Number of Shares Deliverable by the exercise price, which shall be of ¥1 per share for each share to be delivered through the exercise of the stock acquisition right.

(4) Period during which stock acquisition rights can be exercised

The period during which stock acquisition rights can be exercised will be determined by the Company’s Board of Directors, within a range of 40 years beginning from the day following the allotment of the stock acquisition rights.

(5) Restrictions on the acquisition of stock acquisition rights by transfer

The approval by the resolution of the Company’s Board of Directors is required for the acquisition of stock acquisition rights by transfer.

(6) Conditions for exercising the stock acquisition rights

The holder of stock acquisition rights may exercise the rights no earlier than the day following the day when the said holder ceases to occupy the office of the Member of the Board of Directors at the Company. Other conditions for exercising the stock acquisition rights will be determined by the Company’s Board of Directors, which decides on the subscription requirements for stock acquisition rights.

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(7) Terms and conditions of acquisition of stock acquisition rights

If any of the proposals 1), 2), 3), 4) or 5) below is approved by the Company's General Shareholders' Meeting (or resolved by the Company's Board of Directors, if a resolution of the General Shareholders' Meeting is not required), the Company may acquire stock acquisition rights without consideration, on the day to be determined separately by the Company's Board of Directors.

- 1) A proposal for approval of a merger agreement, under which the Company is to be dissolved;
- 2) A proposal for approval of a company split agreement or a company split plan, under which the Company will become a split company;
- 3) A proposal for approval of a share exchange agreement or share transfer plan, under which the Company will become a wholly-owned subsidiary;
- 4) A proposal for approval of an amendment to the Company's Articles of Incorporation to add a provision to the effect that, as a feature of all shares issued by the Company, an approval of the Company is required for acquisition of such shares through transfer; or
- 5) A proposal for approval of an amendment to the Company's Articles of Incorporation to add a provision to the effect that, as a feature of class of shares subject to the stock acquisition rights, an approval of the Company is required for the acquisition of such class of shares through transfer, or the Company will acquire all of such class of shares by resolution of the Company's General Shareholders' Meeting.

(8) Other details of stock acquisition rights

Other details concerning stock acquisition rights will be determined by the Company's Board of Directors, which decides on the subscription requirements for stock acquisition rights.