

(Reference Material for the Exercise of Voting Rights Exhibit)

Exhibits to Proposed Amendment of the Articles of Incorporation

双日株式会社

Terms and Conditions of Second Series Class-I Preferred Shares

1. Preferred Dividends

(1) Second Series Class-I Preferred Share Dividend

In the case that a distribution of surplus is made by the Company as provided for in Article 36, Paragraph 1 of the Articles of Incorporation, the Company shall make a distribution of surplus of the amount as provided for in (2) below per Second Series Class-I Preferred Share (hereinafter referred to as the "Second Series Class-I Preferred Share Dividend") in cash to the holders of the Second Series Class-I Preferred Shares (hereinafter referred to as the "Second Series Class-I Preferred Shareholders") or the registered share pledgees in respect of the Second Series Class-I Preferred Shares (hereinafter referred to as the "Second Series Class-I Registered Preferred Share Pledgees"), in priority to the holders of the shares of common stock of the Company (hereinafter referred to as the "Common Stock Shareholders") and the registered share pledgees in respect of the shares of the common stock of the Company (hereinafter referred to as the "Registered Common Stock Share Pledgees"); provided, however, that if a Second Series Class-I Preferred Share Interim Dividend as provided for in (3) below has been paid in that relevant business year, the amount so paid as the Second Series Class-I Preferred Share Interim Dividend shall be deducted from the amount of the relevant Second Series Class-I Preferred Share Dividend.

(2) Amount of Second Series Class-I Preferred Share Dividend

The amount of the Second Series Class-I Preferred Share Dividends shall be the amount obtained by multiplying two thousand (2,000) yen by the following annual dividend rate (hereinafter referred to as the "Annual Dividend Rate of Second Series Class-I Preferred Shares") for each business year. The amount of the Second Series Class-I Preferred Share Dividend shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1) yen and thereafter rounding off to the nearest thousandth (1/1000) of one (1) yen; provided, however, that if the amount obtained as a result of the calculation exceeds two hundred (200) yen, the amount of the Second Series Class-I Preferred Share Dividends shall be two hundred (200) yen.

The Annual Dividend Rate of Second Series Class-I Preferred Shares shall be the annual rate calculated in accordance with the following formula for each business year from April 1, 2003 until the day immediately preceding the next following Annual Dividend Rate Revision Date (as defined below):
Annual Dividend Rate of Second Series Class-I Preferred Shares

$$= \text{Japanese yen TIBOR (one-year)} + 1.0\%$$

The Annual Dividend Rate of Second Series Class-I Preferred Shares shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1)% and thereafter rounding off to the nearest thousandth (1/1000) of one (1)%.

"Annual Dividend Rate Revision Date" shall be April 1, 2004 and April 1 of each year thereafter. If such day is a bank holiday, the business day immediately preceding such bank holiday shall be the Annual Dividend Rate Revision Date.

"Japanese yen TIBOR (one-year)" shall mean the average of the figures, each published at 11:00 a.m. by the Japanese Bankers Association as the Japanese yen one-year Tokyo Interbank Offered Rate (Japanese yen TIBOR),

on April 1, 2003, or each Annual Dividend Rate Revision Date and on October 1 immediately thereafter (if such day is a bank holiday, the business day immediately preceding such bank holiday).

If Japanese yen TIBOR (one-year) is not published, a figure published by the British Bankers Association (BBA) as the London Interbank Offered Rate (Euro-yen LIBOR (one-year) (on the basis of a 360-day year)) displayed on the screen page at 11:00 a.m. (London time) on the same day (if such day is a bank holiday, the business day immediately preceding such bank holiday) or a figure deemed to correspond thereto shall be substituted for Japanese yen TIBOR (one-year).

(3) Second Series Class-I Preferred Share Interim Dividend

In the case that an interim dividend as provided for in Article 36, Paragraph 2 of the Articles of Incorporation is paid by the Company, the Company shall make a distribution of surplus of one-half of the amount as provided for in (2) above (hereinafter referred to as the “Second Series Class-I Preferred Share Interim Dividend”) in cash to the Second Series Class-I Preferred Shareholders or the Second Series Class-I Registered Preferred Share Pledges, in priority to the Common Stock Shareholders and the Registered Common Stock Share Pledges.

(4) Non-Cumulative Clause

If the per share amount of surplus to be distributed to the Second Series Class-I Preferred Shareholders or the Second Series Class-I Registered Preferred Share Pledges during a business year falls short of the amount of Second Series Class-I Preferred Share Dividend as provided for in (2) above, such shortfall shall not be payable in any succeeding business year.

(5) Non-Participation Clause

The Company shall not pay any amount in excess of the Second Series Class-I Preferred Share Dividend to any Second Series Class-I Preferred Shareholder or Second Series Class-I Registered Preferred Share Pledgee as dividends in any business year.

2. Distribution of Residual Assets

In the case of distribution of residual assets of the Company, two thousand (2,000) yen shall be payable per Second Series Class-I Preferred Share to the Second Series Class-I Preferred Shareholders or the Second Series Class-I Registered Preferred Share Pledges in priority to the Common Stock Shareholders and the Registered Common Stock Share Pledges.

Except as provided for in the above, no distribution of the residual assets shall be made to any Second Series Class-I Preferred Shareholder or Second Series Class-I Registered Preferred Share Pledgee.

3. Voting Rights

No Second Series Class-I Preferred Shareholder shall have a voting right at any general meeting of shareholders; provided, however, that on and after April 1, 2007, in the case that the amount obtained by deducting the total acquisition price of the preferred shares to be resolved at the ordinary general meeting of shareholders of the Company with respect to the immediately preceding business year from other retained earnings as of the end of the immediately preceding business year of the Company exceeds sixty billion (60,000,000,000) yen, and (i) if no proposal to pay the full amount of the Second Series Class-I Preferred Share Dividends to the Second Series Class-I Preferred Shareholders is submitted at the relevant general meeting, then the Second Series Class-I Preferred Shareholders shall have voting rights from the time of the relevant general meeting until such time it is resolved to pay the full amount of the Second Series Class-I Preferred

Share Dividends to the Second Series Class-I Preferred Shareholders, and (ii) if such proposal is rejected at the relevant general meeting, then the Second Series Class-I Preferred Shareholders shall have voting rights after the closing of the relevant general meeting until such time it is resolved to pay the full amount of the Second Series Class-I Preferred Share Dividends to the Second Series Class-I Preferred Shareholders.

4. Consolidation or Split of Shares and Grant of Right to Receive Allocation of Offered Shares, etc.

Unless otherwise provided for by laws or regulations, no consolidation or split of shares, gratuitous allocation of shares or stock acquisition rights shall be made with respect to the Second Series Class-I Preferred Shares.

No right to receive an allocation of offered shares nor to receive an allocation of offered stock acquisition rights shall be granted by the Company to the Second Series Class-I Preferred Shareholders.

5. Right to Request Acquisition of Second Series Class-I Preferred Shares in Exchange for Delivery of Shares of Common Stock

(1) Period Available for Request for Acquisition (hereinafter referred to as the “Conversion Request Period”)

From May 14, 2008 to May 13, 2018

(2) Terms of Conversion Price, etc.

The Second Series Class-I Preferred Shareholders may request (hereinafter referred to as the “Conversion Request”) the Company to acquire the Second Series Class-I Preferred Shares in exchange for delivery of shares of common stock of the Company at the conversion price as provided for in (i) through (iii) below per share:

(i) Initial Conversion Price

Two hundred and sixty two (262) yen

(ii) Revision of Conversion Price

The conversion price shall, during the period from May 14, 2008 to May 14, 2017, on May 14 of each year (hereinafter individually referred to as the “Conversion Price Revision Date”), be revised to the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days (hereinafter, in these Terms and Conditions, exclusive of days on which no such closing price is reported) commencing on the forty-fifth (45th) trading day prior to each Conversion Price Revision Date (hereinafter individually referred to as the “Market Price Calculation Period”).

(The revised conversion price shall be obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen. Furthermore, if any of the events for adjustment of the conversion price as provided for in (iii) below occurs during the above Market Price Calculation Period, such average shall be adjusted to the figure the Board of Directors deems appropriate pursuant to (iii) below.) Provided, however, that if, as a result of the above calculation, the revised conversion price is less than an amount equivalent to eighty (80)% of the initial conversion price (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen; hereinafter referred to as the “Minimum Conversion Price” (adjusted pursuant to (iii) below)), the revised conversion price shall be the Minimum Conversion Price, and if the revised conversion price is

more than an amount equivalent to a hundred (100)% of the initial conversion price (hereinafter referred to as the “Maximum Conversion Price” (adjusted pursuant to (iii) below)), the revised conversion price shall be the Maximum Conversion Price.

(iii) Adjustment of Conversion Price

(A) On and after June 1, 2003, the conversion price shall be adjusted in accordance with the following formula (hereinafter referred to as the “Adjustment Conversion Price Formula”) due to each event referred to in (B) below:

$$\begin{array}{r}
 \text{Conversion Price After Adjustment} = \text{Conversion Price Before Adjustment} \times \frac{\text{Number of Issued Shares of Common Stock} + \text{Number of Shares of Common Stock to be Newly Issued or Disposed}}{\text{Market Price Per Share}} \times \text{Payment Price Per Share} \\
 \text{Conversion Price After Adjustment} = \text{Conversion Price Before Adjustment} \times \frac{\text{Number of Issued Shares of Common Stock} + \text{Number of Shares of Common Stock to be Newly Issued or Disposed}}{\text{Number of Shares of Common Stock to be Newly Issued or Disposed}} \times \text{Payment Price Per Share}
 \end{array}$$

(B) The events for which the conversion price of the Second Series Class-I Preferred Shares is adjusted in accordance with the Adjustment Conversion Price Formula and the time of application of the conversion price for such adjustment shall be as provided below:

(a) If shares of common stock are newly issued, or shares of common stock held by the Company are disposed, at a price below the market price as provided for in (E)(b) below (unless by way of acquiring or exercising securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company, or stock acquisition rights (including stock acquisition rights incorporated in bonds with stock acquisition rights) in exchange for which delivery of shares of common stock of the Company may be requested):

The conversion price after adjustment shall be applied on and after the day following the payment or, if a record date is set for the offer, on and after the day immediately after such record date.

(b) If making a stock split (including gratuitous allocation of shares):
The conversion price after adjustment shall be applied on and after the day immediately after the record date for the stock split.

(c) If securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company or stock acquisition rights or bonds with stock acquisition rights in exchange for which delivery of shares of common stock of the Company may be requested are issued at a price below the market price as provided for in (E)(b) below:

The conversion price after adjustment shall be calculated pursuant to the Adjustment Conversion Price Formula, assuming that all the securities, stock acquisition rights or bonds with stock acquisition rights to be issued have been

acquired at the initial conversion price or exercised at the initial exercise price, and shall be applied on and after the day immediately after the payment (if stock acquisition rights are issued without any consideration, the allotment date); provided however, that if there is a record date for the offer of the securities, it shall be applied on and after the day immediately after such record date.

- (C) Apart from the events for which an adjustment of the conversion price is required, as provided for in the above (B), the Company shall make an adjustment of the conversion price as the Board of Directors deems appropriate in the following events:
 - (a) When the adjustment of the conversion price is necessary due to consolidation of shares, reduction of the amount of capital, corporate split or merger;
 - (b) When an adjustment of the conversion price is necessary due to other events that cause or may cause a change in the number of shares of common stock of the Company; or
 - (c) When two (2) or more events which require adjustments of the conversion price coincide in proximate timings, and it is necessary to take into consideration an influence given by one event upon the market price to be used for calculating the conversion price after adjustment due to the other event(s).
- (D) As long as the amount of difference between the conversion price after adjustment obtained by calculation in accordance with the Adjustment Conversion Price Formula and the conversion price before adjustment remains below one yen, the conversion price shall not be adjusted; provided, however, that the amount equivalent to such difference shall be counted in the conversion price after adjustment to be calculated upon any event thereafter requiring an adjustment of the conversion price.
- (E)
 - (a) The calculation using the Adjustment Conversion Price Formula shall be made down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
 - (b) The market price to be used in the Adjustment Formula of Conversion Price shall be the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the date on which the conversion price after adjustment is first applied, obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
 - (c) The conversion price before adjustment to be used in the Adjustment Conversion Price Formula shall be the conversion price in effect on the day immediately preceding the date on which the conversion price after adjustment is first applied, and the number of issued shares of common stock to be used in the Adjustment Conversion Price Formula shall be the number obtained by deducting the number of shares of the common stock of the Company held by the Company on a record date (if there is a record date) or on the date one (1)

month prior to the date the conversion price after adjustment is first applied (if there is no record date), from the number of issued shares of the common stock of the Company on such relevant date.

- (iv) Number of Shares of Common Stock to be Delivered in Exchange for the Acquisition

The number of shares of the common stock of the Company to be delivered in exchange for the acquisition of the Second Series Class-I Preferred Shares shall be as follows:

$$\text{Number of Shares of Common Stock to be Delivered in Exchange for Acquisition} = \frac{\text{Number of Second Series Class-I Preferred Shares Submitted by Second Series Class-I Preferred Shareholders for Conversion Request} \times \text{Two Thousand (2,000) Yen}}{\text{Conversion Price}}$$

In calculating the number of shares of the common stock of the Company to be delivered in exchange for the acquisition, fractions less than one (1) share shall be disregarded and no cash adjustment shall be made therefor.

- (v) Address for Accepting Conversion Request
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Department

10-11, Higashisuna 7-chome, Koto-ku, Tokyo

- (vi) Effectiveness of Conversion

When the Conversion Request in writing and the share certificates of the Second Series Class-I Preferred Shares arrive at the address for accepting Conversion Request provided for in (v) above, the Company acquires such Second Series Class-I Preferred Shares, and the Second Series Class-I Preferred Shareholders who made such Conversion Request shall become the shareholders of shares of the common stock of the Company to be delivered by the Company in exchange for the acquisition of such Second Series Class-I Preferred Shares; provided, however, that if the share certificates of the Second Series Class-I Preferred Shares are not issued, the submission of the share certificates is not required.

6. Mandatory Conversion to Common Stock

The Company shall acquire the Second Series Class-I Preferred Shares with respect to which no Conversion Request has been made during the Conversion Request Period, as of the date determined by the Board of Directors, which shall be the date immediately following the last day of such Period of Request for Conversion (hereinafter referred to as the “Mandatory Conversion Base Date”) or thereafter, and in exchange for such acquisition, shall deliver shares of common stock in the number obtained by dividing two thousand (2,000) yen by the average of the closing prices (regular way) (including the closing bid or offered price) of shares of the common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the Mandatory Conversion Base Date (such average being hereinafter referred to as the “Mandatory Conversion Price”); provided, however, that such average shall be obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen. In this case, if the Mandatory Conversion Price is less than the amount equivalent to eighty (80)% of the initial conversion price (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the

nearest tenth (1/10) of one (1) yen; hereinafter referred to as the “Minimum Mandatory Conversion Price”), the Company shall deliver shares of common stock in the number obtained by dividing two thousand (2,000) yen by such Minimum Mandatory Conversion Price.

However, if the conversion price as provided for in 5. (2) above has been adjusted in accordance with 5. (2) (iii) above prior to the Mandatory Conversion Base Date, the Minimum Mandatory Conversion Price shall be adjusted accordingly. Fractions of one share obtained as a result of calculating the number of shares of the common stock as set forth above, if any, shall be treated in the manner pursuant to Article 234 of the Company Law.

Terms and Conditions of Third Series Class-I Preferred Shares

1. Preferred Dividends

(1) Third Series Class-I Preferred Share Dividend

In the case that a distribution of surplus is made by the Company as provided for in Article 36, Paragraph 1 of the Articles of Incorporation, the Company shall make a distribution of surplus of the amount as provided for in (2) below per Third Series Class-I Preferred Share (hereinafter referred to as the “Third Series Class-I Preferred Share Dividend”) in cash to the holders of the Third Series Class-I Preferred Shares (hereinafter referred to as the “Third Series Class-I Preferred Shareholders”) or the registered share pledgees in respect of the Third Series Class-I Preferred Shares (hereinafter referred to as the “Third Series Class-I Registered Preferred Share Pledgees”), in priority to the holders of the shares of common stock of the Company (hereinafter referred to as the “Common Stock Shareholders”) and the registered share pledgees in respect of the shares of the common stock of the Company (hereinafter referred to as the “Registered Common Stock Share Pledgees”); provided, however, that if a Third Series Class-I Preferred Share Interim Dividend as provided for in (3) below has been paid in that relevant business year, the amount so paid as the Third Series Class-I Preferred Share Interim Dividend shall be deducted from the amount of the relevant Third Series Class-I Preferred Share Dividend.

(2) Amount of Third Series Class-I Preferred Share Dividend

The amount of the Third Series Class-I Preferred Share Dividends shall be the amount obtained by multiplying two thousand (2,000) yen by the following annual dividend rate (hereinafter referred to as the “Annual Dividend Rate of Third Series Class-I Preferred Shares”) for each business year. The amount of the Third Series Class-I Preferred Share Dividend shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1) yen and thereafter rounding off to the nearest thousandth (1/1000) of one (1) yen; provided, however, that if the amount obtained as a result of the calculation exceeds two hundred (200) yen, the amount of the Third Series Class-I Preferred Share Dividends shall be two hundred (200) yen.

The Annual Dividend Rate of Third Series Class-I Preferred Shares shall be the annual rate calculated in accordance with the following formula for each business year from April 1, 2003 until the day immediately preceding the next following Annual Dividend Rate Revision Date (as defined below):

Annual Dividend Rate of Third Series Class-I Preferred Shares
= Japanese yen TIBOR (one-year) + 1.25%

The Annual Dividend Rate of Third Series Class-I Preferred Shares shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1)% and thereafter rounding off to the nearest thousandth (1/1000) of one (1)%.

“Annual Dividend Rate Revision Date” shall be April 1, 2004 and April 1 of each year thereafter. If such day is a bank holiday, the business day immediately preceding such bank holiday shall be the Annual Dividend Rate Revision Date.

“Japanese yen TIBOR (one-year)” shall mean the average of the figures, each published at 11:00 a.m. by the Japanese Bankers Association as the Japanese yen one-year Tokyo Interbank Offered Rate (Japanese yen TIBOR), on April 1, 2003, or each Annual Dividend Rate Revision Date and on October 1 immediately thereafter (if such day is a bank holiday, the business

day immediately preceding such bank holiday).

If Japanese yen TIBOR (one-year) is not published, a figure published by the British Bankers Association (BBA) as the London Interbank Offered Rate (Euro-yen LIBOR (one-year) (on the basis of a 360-day year)) displayed on the screen page at 11:00 a.m. (London time) on the same day (if such day is a bank holiday, the business day immediately preceding such bank holiday) or a figure deemed to correspond thereto shall be substituted for Japanese yen TIBOR (one-year).

(3) Third Series Class-I Preferred Share Interim Dividend

In the case that an interim dividend as provided for in Article 36, Paragraph 2 of the Articles of Incorporation is paid by the Company, the Company shall make a distribution of surplus of one-half of the amount as provided for in (2) above (hereinafter referred to as the “Third Series Class-I Preferred Share Interim Dividend”) in cash to the Third Series Class-I Preferred Shareholders or the Third Series Class-I Registered Preferred Share Pledges, in priority to the Common Stock Shareholders and the Registered Common Stock Share Pledges.

(4) Non-Cumulative Clause

If the per share amount of surplus to be distributed to the Third Series Class-I Preferred Shareholders or the Third Series Class-I Registered Preferred Share Pledges during a business year falls short of the amount of Third Series Class-I Preferred Share Dividend as provided for in (2) above, such shortfall shall not be payable in any succeeding business year.

(5) Non-Participation Clause

The Company shall not pay any amount in excess of the Third Series Class-I Preferred Share Dividend to any Third Series Class-I Preferred Shareholder or Third Series Class-I Registered Preferred Share Pledgee as dividends in any business year.

2. Distribution of Residual Assets

In the case of distribution of residual assets of the Company, two thousand (2,000) yen shall be payable per Third Series Class-I Preferred Share to the Third Series Class-I Preferred Shareholders or the Third Series Class-I Registered Preferred Share Pledges in priority to the Common Stock Shareholders and the Registered Common Stock Share Pledges.

Except as provided for in the above, no distribution of the residual assets shall be made to any Third Series Class-I Preferred Shareholder or Third Series Class-I Registered Preferred Share Pledgee.

3. Voting Rights

No Third Series Class-I Preferred Shareholder shall have a voting right at any general meeting of shareholders; provided, however, that on and after April 1, 2007, in the case that the amount obtained by deducting the total acquisition price of the preferred shares to be resolved at the ordinary general meeting of shareholders of the Company with respect to the immediately preceding business year from other retained earnings as of the end of the immediately preceding business year of the Company exceeds sixty billion (60,000,000,000) yen, and (i) if no proposal to pay the full amount of the Third Series Class-I Preferred Share Dividends to the Third Series Class-I Preferred Shareholders is submitted at the relevant general meeting, then the Third Series Class-I Preferred Shareholders shall have voting rights from the time of the relevant general meeting until such time it is resolved to pay the full amount of the Third Series Class-I Preferred Share Dividends to the Third Series Class-I Preferred Shareholders, and (ii) if such proposal is rejected at the relevant general meeting, then the Third Series Class-I

Preferred Shareholders shall have voting rights after the closing of the relevant general meeting until such time it is resolved to pay the full amount of the Third Series Class-I Preferred Share Dividends to the Third Series Class-I Preferred Shareholders.

4. Consolidation or Split of Shares and Grant of Right to Receive Allocation of Offered Shares, etc.

Unless otherwise provided for by laws or regulations, no consolidation or split of shares, gratuitous allocation of shares or stock acquisition rights shall be made with respect to the Third Series Class-I Preferred Shares.
No right to receive an allocation of offered shares nor to receive an allocation of offered stock acquisition rights shall be granted by the Company to the Third Series Class-I Preferred Shareholders.
5. Right to Request Acquisition of Third Series Class-I Preferred Shares in Exchange for Delivery of Shares of Common Stock
 - (1) Period Available for Request for Acquisition (hereinafter referred to as the “Conversion Request Period”)
From May 14, 2010 to May 13, 2020
 - (2) Terms of Conversion Price, etc.

The Third Series Class-I Preferred Shareholders may request (hereinafter referred to as the “Conversion Request”) the Company to acquire the Third Series Class-I Preferred Shares in exchange for delivery of shares of common stock of the Company at the conversion price as provided for in (i) through (iii) below per share:

 - (i) Initial Conversion Price
Two hundred and sixty two (262) yen
 - (ii) Revision of Conversion Price
The conversion price shall, during the period from May 14, 2010 to May 14, 2019, on May 14 of each year (hereinafter individually referred to as the “Conversion Price Revision Date”), be revised to the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days (hereinafter, in these Terms and Conditions, exclusive of days on which no such closing price is reported) commencing on the forty-fifth (45th) trading day prior to each Conversion Price Revision Date (hereinafter individually referred to as the “Market Price Calculation Period”).
(The revised conversion price shall be obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen. Furthermore, if any of the events for adjustment of the conversion price as provided for in (iii) below occurs during the above Market Price Calculation Period, such average shall be adjusted to the figure the Board of Directors deems appropriate pursuant to (iii) below.) Provided, however, that if, as a result of the above calculation, the revised conversion price is less than an amount equivalent to eighty (80)% of the initial conversion price (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen; hereinafter referred to as the “Minimum Conversion Price” (adjusted pursuant to (iii) below)), the revised conversion price shall be the Minimum Conversion Price, and if the revised conversion price is more than an amount equivalent to a hundred (100)% of the initial conversion price (hereinafter referred to as the “Maximum Conversion

Price” (adjusted pursuant to (iii) below)), the revised conversion price shall be the Maximum Conversion Price.

(iii) Adjustment of Conversion Price

(A) On and after June 1, 2003, the conversion price shall be adjusted in accordance with the following formula (hereinafter referred to as the “Adjustment Conversion Price Formula”) due to each event referred to in (B) below:

$$\begin{array}{r}
 \text{Conversion Price After Adjustment} \\
 \times \\
 \text{Conversion Price Before Adjustment} \\
 \times \\
 \frac{\text{Number of Issued Shares of Common Stock} + \text{Number of Shares of Common Stock to be Newly Issued or Disposed}}{\text{Market Price Per Share}} \\
 \times \\
 \text{Payment Price Per Share}
 \end{array}$$

(B) The events for which the conversion price of the Third Series Class-I Preferred Shares is adjusted in accordance with the Adjustment Conversion Price Formula and the time of application of the conversion price for such adjustment shall be as provided below:

(a) If shares of common stock are newly issued, or shares of common stock held by the Company are disposed, at a price below the market price as provided for in (E)(b) below (unless by way of acquiring or exercising securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company, or stock acquisition rights (including stock acquisition rights incorporated in bonds with stock acquisition rights) in exchange for which delivery of shares of common stock of the Company may be requested):

The conversion price after adjustment shall be applied on and after the day following the payment or, if a record date is set for the offer, on and after the day immediately after such record date.

(b) If making a stock split (including gratuitous allocation of shares):

The conversion price after adjustment shall be applied on and after the day immediately after the record date for the stock split.

(c) If securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company or stock acquisition rights or bonds with stock acquisition rights in exchange for which delivery of shares of common stock of the Company may be requested are issued at a price below the market price as provided for in (E)(b) below:

The conversion price after adjustment shall be calculated pursuant to the Adjustment Conversion Price Formula, assuming that all the securities, stock acquisition rights or bonds with stock acquisition rights to be issued have been acquired at the initial conversion price or exercised at the initial exercise price, and shall be applied on and after the day

immediately after the payment (if stock acquisition rights are issued without any consideration, the allotment date); provided however, that if there is a record date for the offer of the securities, it shall be applied on and after the day immediately after such record date.

- (C) Apart from the events for which an adjustment of the conversion price is required, as provided for in the above (B), the Company shall make an adjustment of the conversion price as the Board of Directors deems appropriate in the following events:
 - (a) When the adjustment of the conversion price is necessary due to consolidation of shares, reduction of the amount of capital, corporate split or merger;
 - (b) When an adjustment of the conversion price is necessary due to other events that cause or may cause a change in the number of shares of common stock of the Company; or
 - (c) When two (2) or more events which require adjustments of the conversion price coincide in proximate timings, and it is necessary to take into consideration an influence given by one event upon the market price to be used for calculating the conversion price after adjustment due to the other event(s).
- (D) As long as the amount of difference between the conversion price after adjustment obtained by calculation in accordance with the Adjustment Conversion Price Formula and the conversion price before adjustment remains below one yen, the conversion price shall not be adjusted; provided, however, that the amount equivalent to such difference shall be counted in the conversion price after adjustment to be calculated upon any event thereafter requiring an adjustment of the conversion price.
- (E)
 - (a) The calculation using the Adjustment Conversion Price Formula shall be made down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
 - (b) The market price to be used in the Adjustment Formula of Conversion Price shall be the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the date on which the conversion price after adjustment is first applied, obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
 - (c) The conversion price before adjustment to be used in the Adjustment Conversion Price Formula shall be the conversion price in effect on the day immediately preceding the date on which the conversion price after adjustment is first applied, and the number of issued shares of common stock to be used in the Adjustment Conversion Price Formula shall be the number obtained by deducting the number of shares of the common stock of the Company held by the Company on a record date (if there is a record date) or on the date one (1) month prior to the date the conversion price after adjustment is first applied (if there is no record date), from the number of

issued shares of the common stock of the Company on such relevant date.

- (iv) Number of Shares of Common Stock to be Delivered in Exchange for the Acquisition

The number of shares of the common stock of the Company to be delivered in exchange for the acquisition of the Third Series Class-I Preferred Shares shall be as follows:

$$\text{Number of Shares of Common Stock to be Delivered in Exchange for Acquisition} = \frac{\text{Number of Third Series Class-I Preferred Shares Submitted by Third Series Class-I Preferred Shareholders for Conversion Request} \times \text{Two Thousand (2,000) Yen}}{\text{Conversion Price}}$$

In calculating the number of shares of the common stock of the Company to be delivered in exchange for the acquisition, fractions less than one (1) share shall be disregarded and no cash adjustment shall be made therefor.

- (v) Address for Accepting Conversion Request
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Department

10-11, Higashisuna 7-chome, Koto-ku, Tokyo

- (vi) Effectiveness of Conversion

When the Conversion Request in writing and the share certificates of the Third Series Class-I Preferred Shares arrive at the address for accepting Conversion Request provided for in (v) above, the Company acquires such Third Series Class-I Preferred Shares, and the Third Series Class-I Preferred Shareholders who made such Conversion Request shall become the shareholders of shares of the common stock of the Company to be delivered by the Company in exchange for the acquisition of such Third Series Class-I Preferred Shares; provided, however, that if the share certificates of the Third Series Class-I Preferred Shares are not issued, the submission of the share certificates is not required.

6. Mandatory Conversion to Common Stock

The Company shall acquire the Third Series Class-I Preferred Shares with respect to which no Conversion Request has been made during the Conversion Request Period, as of the date determined by the Board of Directors, which shall be the date immediately following the last day of such Period of Request for Conversion (hereinafter referred to as the “Mandatory Conversion Base Date”) or thereafter, and in exchange for such acquisition, shall deliver shares of common stock in the number obtained by dividing two thousand (2,000) yen by the average of the closing prices (regular way) (including the closing bid or offered price) of shares of the common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the Mandatory Conversion Base Date (such average being hereinafter referred to as the “Mandatory Conversion Price”); provided, however, that such average shall be obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.

In this case, if the Mandatory Conversion Price is less than the amount equivalent to eighty (80)% of the initial conversion price (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen; hereinafter referred to as the “Minimum Mandatory Conversion Price”), the Company shall deliver shares of common

stock in the number obtained by dividing two thousand (2,000) yen by such Minimum Mandatory Conversion Price.

However, if the conversion price as provided for in 5. (2) above has been adjusted in accordance with 5. (2) (iii) above prior to the Mandatory Conversion Base Date, the Minimum Mandatory Conversion Price shall be adjusted accordingly.

Fractions of one share obtained as a result of calculating the number of shares of the common stock as set forth above, if any, shall be treated in the manner pursuant to Article 234 of the Company Law.

Terms and Conditions of Fourth Series Class-I Preferred Shares

1. Preferred Dividends

(1) Fourth Series Class-I Preferred Share Dividend

In the case that a distribution of surplus is made by the Company as provided for in Article 36, Paragraph 1 of the Articles of Incorporation, the Company shall make a distribution of surplus of the amount as provided for in (2) below per Fourth Series Class-I Preferred Share (hereinafter referred to as the “Fourth Series Class-I Preferred Share Dividend”) in cash to the holders of the Fourth Series Class-I Preferred Shares (hereinafter referred to as the “Fourth Series Class-I Preferred Shareholders”) or the registered share pledgees in respect of the Fourth Series Class-I Preferred Shares (hereinafter referred to as the “Fourth Series Class-I Registered Preferred Share Pledgees”), in priority to the holders of the shares of common stock of the Company (hereinafter referred to as the “Common Stock Shareholders”) and the registered share pledgees in respect of the shares of the common stock of the Company (hereinafter referred to as the “Registered Common Stock Share Pledgees”); provided, however, that if a Fourth Series Class-I Preferred Share Interim Dividend as provided for in (3) below has been paid in that relevant business year, the amount so paid as the Fourth Series Class-I Preferred Share Interim Dividend shall be deducted from the amount of the relevant Fourth Series Class-I Preferred Share Dividend.

(2) Amount of Fourth Series Class-I Preferred Share Dividend

The amount of the Fourth Series Class-I Preferred Share Dividends shall be the amount obtained by multiplying two thousand (2,000) yen by the following annual dividend rate (hereinafter referred to as the “Annual Dividend Rate of Fourth Series Class-I Preferred Shares”) for each business year. The amount of the Fourth Series Class-I Preferred Share Dividend shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1) yen and thereafter rounding off to the nearest thousandth (1/1000) of one (1) yen; provided, however, that if the amount obtained as a result of the calculation exceeds two hundred (200) yen, the amount of the Fourth Series Class-I Preferred Share Dividends shall be two hundred (200) yen.

The Annual Dividend Rate of Fourth Series Class-I Preferred Shares shall be the annual rate calculated in accordance with the following formula for each business year from April 1, 2003 until the day immediately preceding the next following Annual Dividend Rate Revision Date (as defined below):

Annual Dividend Rate of Fourth Series Class-I Preferred Shares
= Japanese yen TIBOR (one-year) + 1.5%

The Annual Dividend Rate of Fourth Series Class-I Preferred Shares shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1)% and thereafter rounding off to the nearest thousandth (1/1000) of one (1)%.

“Annual Dividend Rate Revision Date” shall be April 1, 2004 and April 1 of each year thereafter. If such day is a bank holiday, the business day immediately preceding such bank holiday shall be the Annual Dividend Rate Revision Date.

“Japanese yen TIBOR (one-year)” shall mean the average of the figures, each published at 11:00 a.m. by the Japanese Bankers Association as the Japanese yen one-year Tokyo Interbank Offered Rate (Japanese yen TIBOR), on April 1, 2003, or each Annual Dividend Rate Revision Date and on October 1 immediately thereafter (if such day is a bank holiday, the business

day immediately preceding such bank holiday).

If Japanese yen TIBOR (one-year) is not published, a figure published by the British Bankers Association (BBA) as the London Interbank Offered Rate (Euro-yen LIBOR (one-year) (on the basis of a 360-day year)) displayed on the screen page at 11:00 a.m. (London time) on the same day (if such day is a bank holiday, the business day immediately preceding such bank holiday) or a figure deemed to correspond thereto shall be substituted for Japanese yen TIBOR (one-year).

(3) Fourth Series Class-I Preferred Share Interim Dividend

In the case that an interim dividend as provided for in Article 36, Paragraph 2 of the Articles of Incorporation is paid by the Company, the Company shall make a distribution of surplus of one-half of the amount as provided for in (2) above (hereinafter referred to as the “Fourth Series Class-I Preferred Share Interim Dividend”) in cash to the Fourth Series Class-I Preferred Shareholders or the Fourth Series Class-I Registered Preferred Share Pledges, in priority to the Common Stock Shareholders and the Registered Common Stock Share Pledges.

(4) Non-Cumulative Clause

If the per share amount of surplus to be distributed to the Fourth Series Class-I Preferred Shareholders or the Fourth Series Class-I Registered Preferred Share Pledges during a business year falls short of the amount of Fourth Series Class-I Preferred Share Dividend as provided for in (2) above, such shortfall shall not be payable in any succeeding business year.

(5) Non-Participation Clause

The Company shall not pay any amount in excess of the Fourth Series Class-I Preferred Share Dividend to any Fourth Series Class-I Preferred Shareholder or Fourth Series Class-I Registered Preferred Share Pledgee as dividends in any business year.

2. Distribution of Residual Assets

In the case of distribution of residual assets of the Company, two thousand (2,000) yen shall be payable per Fourth Series Class-I Preferred Share to the Fourth Series Class-I Preferred Shareholders or the Fourth Series Class-I Registered Preferred Share Pledges in priority to the Common Stock Shareholders and the Registered Common Stock Share Pledges.

Except as provided for in the above, no distribution of the residual assets shall be made to any Fourth Series Class-I Preferred Shareholder or Fourth Series Class-I Registered Preferred Share Pledgee.

3. Voting Rights

No Fourth Series Class-I Preferred Shareholder shall have a voting right at any general meeting of shareholders; provided, however, that on and after April 1, 2007, in the case that the amount obtained by deducting the total acquisition price of the preferred shares to be resolved at the ordinary general meeting of shareholders of the Company with respect to the immediately preceding business year from other retained earnings as of the end of the immediately preceding business year of the Company exceeds sixty billion (60,000,000,000) yen, and (i) if no proposal to pay the full amount of the Fourth Series Class-I Preferred Share Dividends to the Fourth Series Class-I Preferred Shareholders is submitted at the relevant general meeting, then the Fourth Series Class-I Preferred Shareholders shall have voting rights from the time of the relevant general meeting until such time it is resolved to pay the full amount of the Fourth Series Class-I Preferred Share Dividends to the Fourth Series Class-I Preferred Shareholders, and (ii) if such proposal is rejected at the relevant general meeting, then the Fourth Series

Class-I Preferred Shareholders shall have voting rights after the closing of the relevant general meeting until such time it is resolved to pay the full amount of the Fourth Series Class-I Preferred Share Dividends to the Fourth Series Class-I Preferred Shareholders.

4. Consolidation or Split of Shares and Grant of Right to Receive Allocation of Offered Shares, etc.

Unless otherwise provided for by laws or regulations, no consolidation or split of shares, gratuitous allocation of shares or stock acquisition rights shall be made with respect to the Fourth Series Class-I Preferred Shares.

No right to receive an allocation of offered shares nor to receive an allocation of offered stock acquisition rights shall be granted by the Company to the Fourth Series Class-I Preferred Shareholders.

5. Right to Request Acquisition of Fourth Series Class-I Preferred Shares in Exchange for Delivery of Shares of Common Stock

(1) Period Available for Request for Acquisition (hereinafter referred to as the “Conversion Request Period”)

From May 14, 2012 to May 13, 2022

(2) Terms of Conversion Price, etc.

The Fourth Series Class-I Preferred Shareholders may request (hereinafter referred to as the “Conversion Request”) the Company to acquire the Fourth Series Class-I Preferred Shares in exchange for delivery of shares of common stock of the Company at the conversion price as provided for in (i) through (iii) below per share:

(i) Initial Conversion Price

Two hundred and sixty two (262) yen

(ii) Revision of Conversion Price

The conversion price shall, during the period from May 14, 2012 to May 14, 2021, on May 14 of each year (hereinafter individually referred to as the “Conversion Price Revision Date”), be revised to the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days (hereinafter, in these Terms and Conditions, exclusive of days on which no such closing price is reported) commencing on the forty-fifth (45th) trading day prior to each Conversion Price Revision Date (hereinafter individually referred to as the “Market Price Calculation Period”).

(The revised conversion price shall be obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen. Furthermore, if any of the events for adjustment of the conversion price as provided for in (iii) below occurs during the above Market Price Calculation Period, such average shall be adjusted to the figure the Board of Directors deems appropriate pursuant to (iii) below.) Provided, however, that if, as a result of the above calculation, the revised conversion price is less than an amount equivalent to eighty (80)% of the initial conversion price (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen; hereinafter referred to as the “Minimum Conversion Price” (adjusted pursuant to (iii) below)), the revised conversion price shall be the Minimum Conversion Price, and if the revised conversion price is more than an amount equivalent to a hundred (100)% of the initial conversion price (hereinafter referred to as the “Maximum Conversion

Price” (adjusted pursuant to (iii) below)), the revised conversion price shall be the Maximum Conversion Price.

(iii) Adjustment of Conversion Price

(A) On and after June 1, 2003, the conversion price shall be adjusted in accordance with the following formula (hereinafter referred to as the “Adjustment Conversion Price Formula”) due to each event referred to in (B) below:

$$\begin{array}{r}
 \text{Conversion Price After Adjustment} = \text{Conversion Price Before Adjustment} \times \frac{\text{Number of Issued Shares of Common Stock} + \text{Number of Shares of Common Stock to be Newly Issued or Disposed}}{\text{Market Price Per Share}} \times \text{Payment Price Per Share} \\
 \text{Conversion Price After Adjustment} = \text{Conversion Price Before Adjustment} \times \frac{\text{Number of Issued Shares of Common Stock} + \text{Number of Shares of Common Stock to be Newly Issued or Disposed}}{\text{Number of Shares of Common Stock to be Newly Issued or Disposed}}
 \end{array}$$

(B) The events for which the conversion price of the Fourth Series Class-I Preferred Shares is adjusted in accordance with the Adjustment Conversion Price Formula and the time of application of the conversion price for such adjustment shall be as provided below:

(a) If shares of common stock are newly issued, or shares of common stock held by the Company are disposed, at a price below the market price as provided for in (E)(b) below (unless by way of acquiring or exercising securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company, or stock acquisition rights (including stock acquisition rights incorporated in bonds with stock acquisition rights) in exchange for which delivery of shares of common stock of the Company may be requested):

The conversion price after adjustment shall be applied on and after the day following the payment or, if a record date is set for the offer, on and after the day immediately after such record date.

(b) If making a stock split (including gratuitous allocation of shares):

The conversion price after adjustment shall be applied on and after the day immediately after the record date for the stock split.

(c) If securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company or stock acquisition rights or bonds with stock acquisition rights in exchange for which delivery of shares of common stock of the Company may be requested are issued at a price below the market price as provided for in (E)(b) below:

The conversion price after adjustment shall be calculated pursuant to the Adjustment Conversion Price Formula, assuming that all the securities, stock acquisition rights or bonds with stock acquisition rights to be issued have been acquired at the initial conversion price or exercised at the initial exercise price, and shall be applied on and after the day

immediately after the payment (if stock acquisition rights are issued without any consideration, the allotment date); provided however, that if there is a record date for the offer of the securities, it shall be applied on and after the day immediately after such record date.

- (C) Apart from the events for which an adjustment of the conversion price is required, as provided for in the above (B), the Company shall make an adjustment of the conversion price as the Board of Directors deems appropriate in the following events:
- (a) When the adjustment of the conversion price is necessary due to consolidation of shares, reduction of the amount of capital, corporate split or merger;
 - (b) When an adjustment of the conversion price is necessary due to other events that cause or may cause a change in the number of shares of common stock of the Company; or
 - (c) When two (2) or more events which require adjustments of the conversion price coincide in proximate timings, and it is necessary to take into consideration an influence given by one event upon the market price to be used for calculating the conversion price after adjustment due to the other event(s).
- (D) As long as the amount of difference between the conversion price after adjustment obtained by calculation in accordance with the Adjustment Conversion Price Formula and the conversion price before adjustment remains below one yen, the conversion price shall not be adjusted; provided, however, that the amount equivalent to such difference shall be counted in the conversion price after adjustment to be calculated upon any event thereafter requiring an adjustment of the conversion price.
- (E)
- (a) The calculation using the Adjustment Conversion Price Formula shall be made down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
 - (b) The market price to be used in the Adjustment Formula of Conversion Price shall be the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the date on which the conversion price after adjustment is first applied, obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
 - (c) The conversion price before adjustment to be used in the Adjustment Conversion Price Formula shall be the conversion price in effect on the day immediately preceding the date on which the conversion price after adjustment is first applied, and the number of issued shares of common stock to be used in the Adjustment Conversion Price Formula shall be the number obtained by deducting the number of shares of the common stock of the Company held by the Company on a record date (if there is a record date) or on the date one (1) month prior to the date the conversion price after adjustment is first applied (if there is no record date), from the number of

issued shares of the common stock of the Company on such relevant date.

- (iv) Number of Shares of Common Stock to be Delivered in Exchange for the Acquisition

The number of shares of the common stock of the Company to be delivered in exchange for the acquisition of the Fourth Series Class-I Preferred Shares shall be as follows:

$$\text{Number of Shares of Common Stock to be Delivered in Exchange for Acquisition} = \frac{\text{Number of Fourth Series Class-I Preferred Shares Submitted by Fourth Series Class-I Preferred Shareholders for Conversion Request} \times \text{Two Thousand (2,000) Yen}}{\text{Conversion Price}}$$

In calculating the number of shares of the common stock of the Company to be delivered in exchange for the acquisition, fractions less than one (1) share shall be disregarded and no cash adjustment shall be made therefor.

- (v) Address for Accepting Conversion Request
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Department
10-11, Higashisuna 7-chome, Koto-ku, Tokyo
- (vi) Effectiveness of Conversion
When the Conversion Request in writing and the share certificates of the Fourth Series Class-I Preferred Shares arrive at the address for accepting Conversion Request provided for in (v) above, the Company acquires such Fourth Series Class-I Preferred Shares, and the Fourth Series Class-I Preferred Shareholders who made such Conversion Request shall become the shareholders of shares of the common stock of the Company to be delivered by the Company in exchange for the acquisition of such Fourth Series Class-I Preferred Shares; provided, however, that if the share certificates of the Fourth Series Class-I Preferred Shares are not issued, the submission of the share certificates is not required.

6. Mandatory Conversion to Common Stock

The Company shall acquire the Fourth Series Class-I Preferred Shares with respect to which no Conversion Request has been made during the Conversion Request Period, as of the date determined by the Board of Directors, which shall be the date immediately following the last day of such Period of Request for Conversion (hereinafter referred to as the “Mandatory Conversion Base Date”) or thereafter, and in exchange for such acquisition, shall deliver shares of common stock in the number obtained by dividing two thousand (2,000) yen by the average of the closing prices (regular way) (including the closing bid or offered price) of shares of the common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the Mandatory Conversion Base Date (such average being hereinafter referred to as the “Mandatory Conversion Price”); provided, however, that such average shall be obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen. In this case, if the Mandatory Conversion Price is less than the amount equivalent to eighty (80)% of the initial conversion price (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen; hereinafter referred to as the “Minimum Mandatory Conversion Price”), the Company shall deliver shares of common

stock in the number obtained by dividing two thousand (2,000) yen by such Minimum Mandatory Conversion Price.

However, if the conversion price as provided for in 5. (2) above has been adjusted in accordance with 5. (2) (iii) above prior to the Mandatory Conversion Base Date, the Minimum Mandatory Conversion Price shall be adjusted accordingly.

Fractions of one share obtained as a result of calculating the number of shares of the common stock as set forth above, if any, shall be treated in the manner pursuant to Article 234 of the Company Law.

Terms and Conditions of First Series Class-II Preferred Shares

1. Preferred Dividends

(1) First Series Class-II Preferred Share Dividends

In the case that a distribution of surplus is made by the Company as provided for in Article 36, Paragraph 1 of the Articles of Incorporation, the Company shall make a distribution of surplus of the amount as provided for in (2) below per First Series Class-II Preferred Share (hereinafter referred to as the “First Series Class-II Preferred Share Dividend”) in cash to the holders of the First Series Class-II Preferred Shares (hereinafter referred to as the “First Series Class-II Preferred Shareholders”) or the registered share pledgees in respect of the First Series Class-II Preferred Shares (hereinafter referred to as the “First Series Class-II Registered Preferred Share Pledgees”), in priority to the holders of the shares of common stock of the Company (hereinafter referred to as the “Common Stock Shareholders”) and the registered share pledgees in respect of the shares of the common stock of the Company (hereinafter referred to as the “Registered Common Stock Share Pledgees”); provided, however, that if a First Series Class-II Preferred Share Interim Dividend as provided for in (3) below has been paid in that relevant business year, the amount so paid as the First Series Class-II Preferred Share Interim Dividend shall be deducted from the amount of the relevant First Series Class-II Preferred Share Dividend.

(2) Amount of First Series Class-II Preferred Share Dividend

The amount of the First Series Class-II Preferred Share Dividends shall be the amount obtained by multiplying two thousand (2,000) yen by the following annual dividend rate (hereinafter referred to as the “Annual Dividend Rate of First Series Class-II Preferred Shares”) for each business year. The amount of the First Series Class-II Preferred Share Dividend shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1) yen and thereafter rounding off to the nearest thousandth (1/1000) of one (1) yen; provided, however, that if the amount obtained as a result of the calculation exceeds two hundred (200) yen, the amount of the First Series Class-II Preferred Share Dividends shall be two hundred (200) yen.

The Annual Dividend Rate of First Series Class-II Preferred Shares shall be the annual rate calculated in accordance with the following formula for each business year from April 1, 2003 until the day immediately preceding the next following Annual Dividend Rate Revision Date (as defined below):

Annual Dividend Rate of First Series Class-II Preferred Shares
= Japanese yen TIBOR (one-year) + 1.75%

The Annual Dividend Rate of First Series Class-II Preferred Shares shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1) % and thereafter rounding off to the nearest thousandth (1/1000) of one (1) %.

“Annual Dividend Rate Revision Date” shall be April 1, 2004 and April 1 of each year thereafter. If such day is a bank holiday, the business day immediately preceding such bank holiday shall be the Annual Dividend Rate Revision Date.

“Japanese yen TIBOR (one-year)” shall mean the average of the figures, each published at 11:00 a.m. by the Japanese Bankers Association as the Japanese yen one-year Tokyo Interbank Offered Rate (Japanese yen TIBOR), on April 1, 2003, or each Annual Dividend Rate Revision Date and on October 1 immediately thereafter (if such day is a bank holiday, the business

day immediately preceding such bank holiday).

If Japanese yen TIBOR (one-year) is not published, a figure published by the British Bankers Association (BBA) as the London Interbank Offered Rate (Euro-yen LIBOR (one-year) (on the basis of a 360-day year)) displayed on the screen page at 11:00 a.m. (London time) on the same day (if such day is a bank holiday, the business day immediately preceding such bank holiday) or a figure deemed to correspond thereto shall be substituted for Japanese yen TIBOR (one-year).

(3) First Series Class-II Preferred Share Interim Dividend

In the case that an interim dividend as provided for in Article 36, Paragraph 2 of the Articles of Incorporation is paid by the Company, the Company shall make a distribution of surplus of one-half of the amount as provided for in (2) above (hereinafter referred to as the “First Series Class-II Preferred Share Interim Dividend”) in cash to the First Series Class-II Preferred Shareholders or the First Series Class-II Registered Preferred Share Pledges, in priority to the Common Stock Shareholders and the Registered Common Stock Share Pledges.

(4) Non-Cumulative Clause

If the per share amount of surplus Class-II Preferred to be distributed to the First Series Class-II Preferred Shareholders or the First Series Class-II Registered Preferred Share Pledges during a business year falls short of the amount of First Series Class-II Preferred Share Dividend as provided for in (2) above, such shortfall shall not be payable in any succeeding business year.

(5) Non-Participation Clause

The Company shall not pay any amount in excess of the First Series Class-II Preferred Share Dividend to any First Series Class-II Preferred Shareholder or First Series Class-II Registered Preferred Share Pledgee as dividends in any business year.

2. Distribution of Residual Assets

In the case of distribution of residual assets of the Company, two thousand (2,000) yen shall be payable per First Series Class-II Preferred Share to the First Series Class-II Preferred Shareholders or the First Series Class-II Registered Preferred Share Pledges in priority to the Common Stock Shareholders and the Registered Common Stock Share Pledges.

Except as provided for in the above, no distribution of the residual assets shall be made to any First Series Class-II Preferred Shareholder or First Series Class-II Registered Preferred Share Pledgee.

3. Right of Class-II Preferred Shareholders to Request Acquisition

(1) On and after May 14, 2015, if the other retained earnings as of the end of the immediately preceding business year of the Company exceeds sixty (60) billion yen, the First Series Class-II Preferred Shareholders may, during the period from July 1 to 31 of each year (hereinafter referred to as the “Acquisition Request Period”), request acquisition of their Class-II Preferred Shares, in whole or in part, to the extent within the amount obtained by deducting the total acquisition price resolved or to be resolved at the ordinary general meeting of shareholders with respect to the business year immediately preceding the business year in which such request was made, from the amount obtained by multiplying such other retained earnings by one-half (1/2). The Company shall complete such acquisition within one (1) month from the expiration date of the Acquisition Request Period.

(2) In the case that acquisition exceeding the said extent is requested by the First

Series Class-II Preferred Shareholders, the priority order with respect to such acquisition shall be determined by way of lottery to be conducted after the end of the Acquisition Request Period or other methods.

- (3) The acquisition price per First Series Class-II Preferred Share shall be two thousand (2,000) yen.
4. Voting Rights
No First Series Class-II Preferred Shareholder shall have a voting right at any general meeting of shareholders; provided, however, that on and after April 1, 2007, in the case that the amount obtained by deducting the total acquisition price of the preferred shares to be resolved at the ordinary general meeting of shareholders of the Company with respect to the immediately preceding business year from other retained earnings as of the end of the immediately preceding business year of the Company exceeds sixty billion (60,000,000,000) yen, and (i) if no proposal to pay the full amount of the First Series Class-II Preferred Share Dividends to the First Series Class-II Preferred Shareholders is submitted at the relevant general meeting, then the First Series Class-II Preferred Shareholders shall have voting rights from the time of the relevant general meeting until such time it is resolved to pay the full amount of the First Series Class-II Preferred Share Dividends to the First Series Class-II Preferred Shareholders, and (ii) if such proposal is rejected at the relevant general meeting, then the First Series Class-II Preferred Shareholders shall have voting rights after the closing of the relevant general meeting until such time it is resolved to pay the full amount of the First Series Class-II Preferred Share Dividends to the First Series Class-II Preferred Shareholders.
5. Consolidation or Split of Shares and Grant of Right to Receive Allocation of Offered Shares, etc.
Unless otherwise provided for by laws or regulations, no consolidation or split of shares, gratuitous allocation of shares or stock acquisition rights shall be made with respect to the First Series Class-II Preferred Shares.
No right to receive an allocation of offered shares nor to receive an allocation of offered stock acquisition rights shall be granted by the Company to the First Series Class-II Preferred Shareholders.
6. Right to Request Acquisition of First Series Class-II Preferred Shares in Exchange for Delivery of Shares of Common Stock
 - (1) Period Available for Request for Acquisition (hereinafter referred to as the "Conversion Request Period")
From May 14, 2014 to May 13, 2024
 - (2) Terms of Conversion Price, etc.
The First Series Class-II Preferred Shareholders may request (hereinafter referred to as the "Conversion Request") the Company to acquire the First Series Class-II Preferred Shares in exchange for delivery of shares of common stock of the Company at the conversion price as provided for in (i) through (iii) below per share:
 - (i) Initial Conversion Price
Two hundred and sixty two (262) yen
 - (ii) Revision of Conversion Price
The conversion price shall, during the period from May 14, 2014 to May 14, 2023, on May 14 of each year (hereinafter individually referred to as the "Conversion Price Revision Date"), be revised to the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days (hereinafter, in

these Terms and Conditions, exclusive of days on which no such closing price is reported) commencing on the forty-fifth (45th) trading day prior to each Conversion Price Revision Date (hereinafter individually referred to as the “Market Price Calculation Period”). (The revised conversion price shall be obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen. Furthermore, if any of the events for adjustment of the conversion price as provided for in (iii) below occurs during the above Market Price Calculation Period, such average shall be adjusted to the figure the Board of Directors deems appropriate pursuant to (iii) below.) Provided, however, that if, as a result of the above calculation, the revised conversion price is less than an amount equivalent to eighty (80)% of the initial conversion price (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen; hereinafter referred to as the “Minimum Conversion Price” (adjusted pursuant to (iii) below)), the revised conversion price shall be the Minimum Conversion Price, and if the revised conversion price is more than an amount equivalent to a hundred (100)% of the initial conversion price (hereinafter referred to as the “Maximum Conversion Price” (adjusted pursuant to (iii) below)), the revised conversion price shall be the Maximum Conversion Price.

(iii) Adjustment of Conversion Price

(A) On and after June 1, 2003, the conversion price shall be adjusted in accordance with the following formula (hereinafter referred to as the “Adjustment Conversion Price Formula”) due to each event referred to in (B) below:

$$\begin{array}{r}
 \text{Conversion Price After Adjustment} = \text{Conversion Price Before Adjustment} \times \frac{\text{Number of Issued Shares of Common Stock} + \text{Number of Shares of Common Stock to be Newly Issued or Disposed}}{\text{Number of Issued Shares of Common Stock} + \text{Number of Shares of Common Stock to be Newly Issued or Disposed}} \times \text{Payment Price Per Share} \\
 \text{Market Price Per Share}
 \end{array}$$

(B) The events for which the conversion price of the First Series Class-II Preferred Shares is adjusted in accordance with the Adjustment Conversion Price Formula and the time of application of the conversion price for such adjustment shall be as provided below:

(a) If shares of common stock are newly issued, or shares of common stock held by the Company are disposed, at a price below the market price as provided for in (E) (b) below (unless by way of acquiring or exercising securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company, or stock acquisition rights (including stock acquisition rights incorporated in bonds with stock acquisition rights) in exchange for which delivery of shares of common stock of the Company may be requested):

The conversion price after adjustment shall be applied on and after the day following the payment or, if a record date is set

- for the offer, on and after the day immediately after such record date.
- (b) If making a stock split (including gratuitous allocation of shares):
The conversion price after adjustment shall be applied on and after the day immediately after the record date for the stock split.
- (c) If securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company or stock acquisition rights or bonds with stock acquisition rights in exchange for which delivery of shares of common stock of the Company may be requested are issued at a price below the market price as provided for in (E) (b) below:
The conversion price after adjustment shall be calculated pursuant to the Adjustment Conversion Price Formula, assuming that all the securities, stock acquisition rights or bonds with stock acquisition rights to be issued have been acquired at the initial conversion price or exercised at the initial exercise price, and shall be applied on and after the day immediately after the payment (if stock acquisition rights are issued without any consideration, the allotment date); provided however, that if there is a record date for the offer of the securities, it shall be applied on and after the day immediately after such record date.
- (C) Apart from the events for which an adjustment of the conversion price is required, as provided for in the above (B), the Company shall make an adjustment of the conversion price as the Board of Directors deems appropriate in the following events:
- (a) When the adjustment of the conversion price is necessary due to consolidation of shares, reduction of the amount of capital, corporate split or merger;
- (b) When an adjustment of the conversion price is necessary due to other events that cause or may cause a change in the number of shares of common stock of the Company; or
- (c) When two (2) or more events which require adjustments of the conversion price coincide in proximate timings, and it is necessary to take into consideration an influence given by one event upon the market price to be used for calculating the conversion price after adjustment due to the other event(s).
- (D) As long as the amount of difference between the conversion price after adjustment obtained by calculation in accordance with the Adjustment Conversion Price Formula and the conversion price before adjustment remains below one yen, the conversion price shall not be adjusted; provided, however, that the amount equivalent to such difference shall be counted in the conversion price after adjustment to be calculated upon any event thereafter requiring an adjustment of the conversion price.
- (E)
- (a) The calculation using the Adjustment Conversion Price Formula shall be made down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
- (b) The market price to be used in the Adjustment Formula of

Conversion Price shall be the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the date on which the conversion price after adjustment is first applied, obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.

(c) The conversion price before adjustment to be used in the Adjustment Conversion Price Formula shall be the conversion price in effect on the day immediately preceding the date on which the conversion price after adjustment is first applied, and the number of issued shares of common stock to be used in the Adjustment Conversion Price Formula shall be the number obtained by deducting the number of shares of the common stock of the Company held by the Company on a record date (if there is a record date) or on the date one (1) month prior to the date the conversion price after adjustment is first applied (if there is no record date), from the number of issued shares of the common stock of the Company on such relevant date.

(iv) Number of Shares of Common Stock to be Delivered in Exchange for the Acquisition

The number of shares of the common stock of the Company to be delivered in exchange for the acquisition of the First Series Class-II Preferred Shares shall be as follows:

$$\text{Number of Shares of Common Stock to be Delivered in Exchange for Acquisition} = \frac{\text{Number of First Series Class-II Preferred Shares Submitted by First Series Class-II Preferred Shareholders for Conversion Request} \times \text{Two Thousand (2,000) Yen}}{\text{Conversion Price}}$$

In calculating the number of shares of the common stock of the Company to be delivered in exchange for the acquisition, fractions less than one (1) share shall be disregarded and no cash adjustment shall be made therefor.

(v) Address for Accepting Conversion Request
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Department
10-11, Higashisuna 7-chome, Koto-ku, Tokyo

(vi) Effectiveness of Conversion
When the Conversion Request in writing and the share certificates of the First Series Class-II Preferred Shares arrive at the address for accepting Conversion Request provided for in (v) above, the Company acquires such First Series Class-II Preferred Shares, and the First Series Class-II Preferred Shareholders who made such Conversion Request shall become the shareholders of shares of the common stock of the Company to be delivered by the Company in exchange for the acquisition of such First Series Class-II Preferred Shares; provided, however, that if the share certificates of the First Series Class-II Preferred Shares are not issued, the submission of the share certificates is not required.

7. Mandatory Conversion to Common Stock

The Company shall acquire the First Series Class-II Preferred Shares with respect to which no Conversion Request has been made during the Conversion Request Period, as of the date determined by the Board of Directors, which shall be the date immediately following the last day of such Period of Request for Conversion (hereinafter referred to as the “Mandatory Conversion Base Date”) or thereafter, and in exchange for such acquisition, shall deliver shares of common stock in the number obtained by dividing two thousand (2,000) yen by the average of the closing prices (regular way) (including the closing bid or offered price) of shares of the common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the Mandatory Conversion Base Date (such average being hereinafter referred to as the “Mandatory Conversion Price”); provided, however, that such average shall be obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.

In this case, if the Mandatory Conversion Price is less than the amount equivalent to eighty (80)% of the initial conversion price (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen; hereinafter referred to as the “Minimum Mandatory Conversion Price”), the Company shall deliver shares of common stock in the number obtained by dividing two thousand (2,000) yen by such Minimum Mandatory Conversion Price.

However, if the conversion price as provided for in 5. (2) above has been adjusted in accordance with 5. (2) (iii) above prior to the Mandatory Conversion Base Date, the Minimum Mandatory Conversion Price shall be adjusted accordingly.

Fractions of one share obtained as a result of calculating the number of shares of the common stock as set forth above, if any, shall be treated in the manner pursuant to Article 234 of the Company Law.

Terms and Conditions of First Series Class-III Preferred Shares

1. Preferred Dividends

(1) First Series Class-III Preferred Share Dividend

In the case that a distribution of surplus is made by the Company as provided for in Article 36, Paragraph 1 of the Articles of Incorporation, the Company shall make a distribution of surplus of the amount as provided for in (2) below per First Series Class-III Preferred Share (hereinafter referred to as the “First Series Class-III Preferred Share Dividend”) in cash to the holders of the First Series Class-III Preferred Shares (hereinafter referred to as the “First Series Class-III Preferred Shareholders”) or the registered share pledgees in respect of the First Series Class-III Preferred Shares (hereinafter referred to as the “First Series Class-III Registered Preferred Share Pledgees”), in priority to the holders of the shares of common stock of the Company (hereinafter referred to as the “Common Stock Shareholders”) and the registered share pledgees in respect of the shares of the common stock of the Company (hereinafter referred to as the “Registered Common Stock Share Pledgees”); provided, however, that if a First Series Class-III Preferred Share Interim Dividend as provided for in (3) below has been paid in that relevant business year, the amount so paid as the First Series Class-III Preferred Share Interim Dividend shall be deducted from the amount of the relevant First Series Class-III Preferred Share Dividend.

(2) Amount of First Series Class-III Preferred Share Dividends

Fifteen (15) yen per share.

(3) First Series Class-III Preferred Share Interim Dividend

In the case that an interim dividend as provided for in Article 36, Paragraph 2 of the Articles of Incorporation is paid by the Company, the Company shall make a distribution of surplus of one-half of the amount as provided for in (2) above (hereinafter referred to as the “First Series Class-III Preferred Share Interim Dividend”) in cash to the First Series Class-III Preferred Shareholders or the First Series Class-III Registered Preferred Share Pledgees, in priority to the Common Stock Shareholders and the Registered Common Stock Share Pledgees.

(4) Non-Cumulative Clause

If the per share amount of surplus to be distributed to the First Series Class-III Preferred Shareholders or the First Series Class-III Registered Preferred Share Pledgees during a business year falls short of the amount of First Series Class-III Preferred Share Dividend as provided for in (2) above, such shortfall shall not be payable in any succeeding business year.

(5) Non-Participation Clause

The Company shall not pay any amount in excess of the First Series Class-III Preferred Share Dividend to any First Series Class-III Preferred Shareholder or First Series Class-III Registered Preferred Share Pledgee as dividends in any business year.

2. Distribution of Residual Assets

In the case of distribution of residual assets of the Company, two thousand (2,000) yen shall be payable per First Series Class-III Preferred Share to the First Series Class-III Preferred Shareholders or the First Series Class-III Registered Preferred Share Pledgees in priority to the Common Stock Shareholders and the Registered Common Stock Share Pledgees.

Except as provided for in the above, no distribution of the residual assets shall be

made to any First Series Class-III Preferred Shareholder or First Series Class-III Registered Preferred Share Pledgee.

3. Acquisition Clause of 130% Call Option
 - (1) On and after May 14, 2006, the Company may, at its option, having given no less than thirty (30) and no more than sixty (60) days prior notice to the First Series Class- III Preferred Shareholders, acquire in whole or in part the First Series Class-III Preferred Shares on the date for such acquisition determined by the Company, provided that the closing price of the shares of common stock of the Company on the Tokyo Stock Exchange for each of the twenty (20) consecutive trading days (hereinafter, in these Terms and Conditions, exclusive of days on which no such closing price is reported), the last of which occurs not more than thirty (30) days prior to the date upon which the notice of such acquisition is published, is at least one hundred and thirty (130) % of the conversion price in effect on each such trading day.
 - (2) The acquisition price per First Series Class-III Preferred Share shall be two thousand (2,000) yen.
 - (3) In the case that only part of the First Series Class-III Preferred Shares are to be acquired, such acquisition shall be made by way of lottery or other methods.

4. Voting Rights

No First Series Class-III Preferred Shareholder shall have a voting right at any general meeting of shareholders; provided, however, that on and after April 1, 2007, in the case that the amount obtained by deducting the total acquisition price of the preferred shares to be resolved at the ordinary general meeting of shareholders of the Company with respect to the immediately preceding business year from other retained earnings as of the end of the immediately preceding business year of the Company exceeds sixty billion (60,000,000,000) yen, and (i) if no proposal to pay the full amount of the First Series Class-III Preferred Share Dividends to the First Series Class-III Preferred Shareholders is submitted at the relevant general meeting, then the First Series Class-III Preferred Shareholders shall have voting rights from the time of the relevant general meeting until such time it is resolved to pay the full amount of the First Series Class-III Preferred Share Dividends to the First Series Class-III Preferred Shareholders, and (ii) if such proposal is rejected at the relevant general meeting, then the First Series Class-III Preferred Shareholders shall have voting rights after the closing of the relevant general meeting until such time it is resolved to pay the full amount of the First Series Class-III Preferred Share Dividends to the First Series Class-III Preferred Shareholders.

5. Consolidation or Split of Shares and Grant of Right to Receive Allocation of Offered Shares, etc.

Unless otherwise provided for by laws or ordinances, no consolidation or split of shares, gratuitous allocation of shares or stock acquisition rights shall be made with respect to the First Series Class-III Preferred Share.

No right to receive an allocation of offered shares nor to receive an allocation of offered stock acquisition rights shall be granted by the Company to the First Series Class-III Preferred Shareholders.

6. Right to Request Acquisition of First Series Class-III Preferred Shares in Exchange for Delivery of Shares of Common Stock
 - (1) Period Available for Request for Acquisition (hereinafter referred to as the "Conversion Request Period")

From May 14, 2004 to May 13, 2013

(2) Terms of Conversion Price, etc.

The First Series Class-III Preferred Shareholders may request (hereinafter referred to as the “Conversion Request”) the Company to acquire the First Series Class-III Preferred Shares in exchange for delivery of shares of common stock of the Company at the conversion price as provided for in (i) through (iii) below per share:

(i) Initial Conversion Price

The Initial Conversion Price shall be the price obtained by dividing the total amount of the closing prices (regular way) (including the closing bid or offered price) of shares of the common stock of the Company on the Tokyo Stock Exchange for each of the five (5) trading days prior to November 14, 2003 (excluding November 14, 2003 and including days on which no such closing price is reported) by the number of trading days with the closing price (obtained by calculating down to the nearest tenth (1/10) of one (1) yen and thereafter rounding off to the nearest whole yen.)

(ii) Revision of Conversion Price

The conversion price shall, during the period from May 14, 2004 to May 14, 2012, on May 14 of each year (hereinafter individually referred to as the “Conversion Price Revision Date”), in the case that average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the 10 (ten) trading days prior to each Conversion Price Revision Date (excluding the Conversion Price Revision Date, hereinafter individually referred to as the “Market Price Calculation Period”) falls below the effective conversion price at that time, be revised to such average. (The revised conversion price shall be obtained by calculating down to the nearest tenth (1/10) of one (1) yen and thereafter rounding off to the nearest whole yen.

Furthermore, if is any of events for adjustment of the conversion price as provided for in (iii) occurs below during the above Market Price Calculation Period, such average shall be adjusted to the figure the Board of Directors deems appropriate pursuant to (iii) below.)

Provided, however, that if, as a result of the above calculation, the revised conversion price is less than an amount equivalent to thirty (30)% of the initial conversion price (obtained by calculating down to the nearest tenth (1/10) of one (1) yen and thereafter rounding off to the nearest whole yen; hereinafter referred to as the “Minimum Conversion Price” (adjusted pursuant to (iii) below)), the revised conversion price shall be the Minimum Conversion Price.

(iii) Adjustment of Conversion Price

(A) On and after November 14, 2003, the conversion price shall be adjusted in accordance with the following formula (hereinafter referred to as the “Adjustment Conversion Price Formula”) due to each event referred to in (B) below:

$$\begin{array}{r}
\text{Conversion Price After Adjustment} \\
= \\
\text{Conversion Price Before Adjustment}
\end{array}
\times
\frac{
\begin{array}{r}
\text{Number of Issued Shares of Common Stock} \\
+ \\
\text{Number of Shares of Common Stock to be Newly Issued or Disposed}
\end{array}
}{
\begin{array}{r}
\text{Number of Shares of Common Stock to be Newly Issued or Disposed} \\
+ \\
\text{Number of Shares of Common Stock to be Newly Issued or Disposed}
\end{array}
}
\times
\begin{array}{r}
\text{Payment Price Per Share} \\
\hline
\text{Market Price Per Share}
\end{array}$$

(B) The events for which the conversion price of the First Series Class-III Preferred Shares is adjusted in accordance with the Adjustment Conversion Price Formula and the time of application of the conversion price for such adjustment shall be as provided below:

(a) If shares of common stock are newly issued, or shares of common stock held by the Company are disposed, at a price below the market price as provided for in (D) (b) below (unless by way of acquiring or exercising securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company, or stock acquisition rights (including stock acquisition rights incorporated in bonds with stock acquisition rights) in exchange for which delivery of shares of common stock of the Company may be requested),

The conversion price after adjustment shall be applied on and after the day following the payment or, if a record date is set for the offer, on and after the day immediately after such record date.

(b) If making a stock split (including gratuitous allocation of shares):

The conversion price after adjustment shall be applied on and after the day immediately after the record date for the stock split.

(c) If securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company or stock acquisition rights or bonds with stock acquisition rights in exchange for which delivery of shares of common stock of the Company may be requested are issued at a price below the market price as provided for in (D) (b) below:

The conversion price after adjustment shall be calculated pursuant to the Adjustment Conversion Price Formula assuming that all the securities, stock acquisition rights or bonds with stock acquisition rights to be issued have been acquired at the initial conversion price or exercised at the initial exercise price, and shall be applied on and after the day immediately after the payment (if stock acquisition rights are issued without any consideration, the allotment date); provided however, that if there is a record date for the offer of the securities, it shall be applied on and after the day immediately after such record date.

(C) Apart from the events for which an adjustment of the conversion price is required, as provided for in the above (B), the Company shall make an adjustment of the conversion price as the Board of

Directors deems appropriate in the following events:

- (a) When the adjustment of the conversion price is necessary due to consolidation of shares, reduction of the amount of capital, corporate split or merger;
- (b) When an adjustment of the conversion price is necessary due to other events that cause or may cause a change in the number of shares of common stock of the Company; or
- (c) When two (2) or more events which require adjustments of the conversion price coincide in proximate timings, and it is necessary to take into consideration an influence given by one event upon the market price to be used for calculating the conversion price after adjustment due to the other event(s).

(D)

- (a) The calculation using the Adjustment Conversion Price Formula shall be made down to the nearest tenth (1/10) of one (1) yen and thereafter rounding off to the nearest whole yen.
- (b) The market price to be used in the Adjustment Formula of Conversion Price shall be the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the date on which the conversion price after adjustment is first applied, obtained by calculating down to the nearest tenth (1/10) of one (1) yen and thereafter rounding down to the nearest whole yen.
- (c) The conversion price before adjustment to be used in the Adjustment Conversion Price Formula shall be the conversion price in effect on the day immediately preceding the date on which the conversion price after adjustment is first applied, and the number of issued shares of common stock to be used in the Adjustment Conversion Price Formula shall be the number obtained by deducting the number of shares of the common stock of the Company held by the Company on a record date (if there is a record date) or on the date one (1) month prior to the date the conversion price after adjustment is first applied (if there is no record date), from the number of issued shares of the common stock of the Company on such relevant date.

(iv) Number of Shares of Common Stock to be Delivered in Exchange for the Acquisition

The number of shares of the common stock of the Company to be delivered in exchange for the acquisition of the First Series Class-III Preferred Shares shall be as follows:

$$\begin{array}{l}
 \text{Number of Shares of} \\
 \text{Common Stock to be} \\
 \text{Delivered} \\
 \text{in Exchange for} \\
 \text{Acquisition}
 \end{array}
 =
 \frac{
 \begin{array}{l}
 \text{Number of First Series} \\
 \text{Class-III Preferred Shares} \\
 \text{Submitted by} \\
 \text{First Series Class-III Preferred} \\
 \text{Shareholders for Conversion} \\
 \text{Request} \times \text{Two Thousand (2,000)} \\
 \text{Yen}
 \end{array}
 }{
 \text{Conversion Price}
 }$$

In calculating the number of shares of the common stock of the Company to be delivered in exchange for the acquisition, fractions less than one (1) share shall be disregarded and no cash adjustment shall be

made therefor.

- (v) Address for Accepting Conversion Request
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency
Department
10-11, Higashisuna 7-chome, Koto-ku, Tokyo
- (vi) Effectiveness of Conversion
When the Conversion Request in writing and the share certificates of the First Series Class-III Preferred Shares arrive at the address for accepting Conversion Request provided for in (v) above, the Company acquires such First Series Class-III Preferred Shares, and the First Series Class-III Preferred Shareholders who made such Conversion Request shall become the shareholders of shares of the common stock of the Company to be delivered by the Company in exchange for the acquisition of such First Series Class-III Preferred Shares; provided, however, that if the share certificates of the First Series Class-III Preferred Shares are not issued, the submission of the share certificates is not required.

7. Mandatory Conversion to Common Stock

The Company shall acquire the First Series Class-III Preferred Shares with respect to which no Conversion Request has been made during the Conversion Request Period, as of the date determined by the Board of Directors, which shall be the date immediately following the last day of such Period of Request for Conversion (hereinafter referred to as the “Mandatory Conversion Base Date”) or thereafter, and in exchange for such acquisition, shall deliver shares of common stock in the number obtained by dividing two thousand (2,000) yen by the average of the closing prices (regular way) (including the closing bid or offered price) of shares of the common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the Mandatory Conversion Base Date (such average being hereinafter referred to as the “Mandatory Conversion Price”); provided, however, that such average shall be obtained by calculating down to the nearest tenth (1/10) of one (1) yen and thereafter rounding off to the nearest whole yen.

In this case, if the Mandatory Conversion Price is less than the amount equivalent to eighty (80)% of the initial conversion price (obtained by calculating down to the nearest tenth (1/10) of one (1) yen and thereafter rounding off to the nearest whole yen; hereinafter referred to as the “Minimum Mandatory Conversion Price”), the Company shall deliver shares of common stock in the number obtained by dividing two thousand (2,000) yen by such Minimum Mandatory Conversion Price. In addition, in the case that the Mandatory Conversion Price is more than the amount equivalent to one hundred (100)% of the conversion price of the First Series Class-III Preferred Shares in effect on the day immediately preceding the Mandatory Conversion Date (hereinafter referred to as the “Maximum Mandatory Conversion Price”), the Company shall deliver shares of common stock in the number obtained by dividing two thousand (2,000) yen by such Maximum Mandatory Conversion Price.

However, if the conversion price as provided for in 6. (2) above has been adjusted in accordance with 6. (2) (iii) above prior to the Mandatory Conversion Base Date, the Minimum Mandatory Conversion and the Maximum Mandatory Conversion Price shall be adjusted accordingly.

Fractions of one share obtained as a result of calculating the number of shares of the common stock as set forth above, if any, shall be treated in the manner pursuant to Article 234 of the Company Law.

Terms and Conditions of First Series Class-IV Preferred Shares

1. Dividends

(1) First Series Class-IV Dividends

In the case that a distribution of surplus as provided for in Article 36, Paragraph 1 of the Articles of Incorporation (hereinafter referred to as the “Year-end Dividends”) is made by the Company to the shareholders who hold shares of common stock (hereinafter referred to as the “Common Stock Shareholders”) and the registered share pledgees of shares of common stock (hereinafter referred to as the “Registered Common Stock Share Pledgees”), the Company shall make a distribution of surplus of the amount to be determined in the method provided for in (2) below per First Series Class-IV Preferred Share (hereinafter referred to as the “First Series Class-IV Dividends”) in cash to shareholders of the First Series Class-IV Preferred Shares (hereinafter referred to as the “First Series Class-IV Preferred Shareholders”) or registered share pledgees of the First Series Class-IV Preferred Shares (hereinafter referred to as the “First Series Class-IV Preferred Registered Share Pledgees”), as long as the sum of the amount of the Year-end Dividends per share of common stock and the amount of the interim dividends as provided for in Article 36, Paragraph 2 of the Articles of Incorporation (hereinafter referred to as the “Interim Dividends”) per share of common stock if the Interim Dividends are paid to Common Stock Shareholders and Common Stock Registered Common Stock Share Pledgees for such business year (hereinafter referred to as the “Common Stock Annual Dividend”) exceeds fifty (50) yen.

(2) Amount of First Series Class-IV Dividends

The amount of First Series Class-IV Dividends shall be the amount obtained by dividing the Common Stock Annual Dividend by the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days (hereinafter, in these Terms and Conditions, exclusive of days on which no such closing price is reported) commencing on the forty-fifth (45th) trading day prior to the record date in respect of such Year-end Dividends, multiplying the quotient by ten thousand (10,000) yen, and further multiplying its product by one point two (1.2) (calculated down to the nearest tenth (1/10) of one (1) yen and thereafter rounding off to the nearest of one (1) yen; hereinafter referred to as the “First Series Class-IV Annual Dividend”); provided, however, that if a First Series Class-IV Interim Dividend as provided for in the next Section has been paid in that relevant business year, the remaining amount, if any, after deducting the amount of such First Series Class-IV Interim Dividend from the amount of such First Series Class-IV Annual Dividend, shall be paid as the First Series Class-IV Dividends. Furthermore, the amount of the First Series Class-IV Dividends shall be such that when it is added to the amount of the First Series Class-IV Interim Dividends as provided for in the next Section, if any, that are paid in that relevant business year, it shall not exceed two thousand (2,000) yen.

(3) Priority Order of Payment of First Series Class-IV Dividends

The priority order of payment of the Year-end Dividends for shares of common stock and the First Series Class-IV Dividends shall be the same.

2. Interim Dividends

(1) First Series Class-IV Interim Dividends

In the case that an Interim Dividend is paid by the Company to Common Stock Shareholders and Common Stock Registered Share Pledges with an amount per share of common stock that is twenty five (25) yen or more, the Company shall make a distribution of surplus of the amount to be determined in the method provided for in (2) below per First Series Class-IV Preferred Share (hereinafter referred to as the “First Series Class-IV Interim Dividends”) in cash to the First Series Class-IV Preferred Shareholders or the First Series Class-IV Registered Preferred Share Pledges.

(2) Amount of First Series Class-IV Interim Dividends

The amount of First Series Class-IV Interim Dividends shall be the amount obtained by dividing the per-share amount of the Interim Dividends to be paid to Common Stock Shareholders and Common Stock Registered Share Pledges by the average of the closing prices (regular way) (including the closing bid or offered price) of shares of the common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the record date in respect of such Interim Dividends, multiplying the quotient by ten thousand (10,000) yen, and further multiplying its product by 1.2 (calculated down to the nearest tenth (1/10) of one (1) yen and thereafter rounding off to the nearest of one (1) yen); provided, however, that the amount of the First Series Class-IV Interim Dividends per share of the First Series Class-IV Preferred Shares shall not exceed one thousand (1,000) yen.

(3) Priority Order of Payment of First Series Class-IV Interim Dividends

The priority order of payment of the Interim Dividends for shares of common stock and the First Series Class-IV Interim Dividends shall be the same.

3. Distribution of Residual Assets

In the case of distribution of residual assets of the Company, ten thousand (10,000) yen shall be payable per First Series Class-IV Preferred Share to the First Series Class-IV Preferred Shareholders or the First Series Class-IV Registered Preferred Share Pledges in priority to the Common Stock Shareholders and the Registered Common Stock Share Pledges.

Except as provided for in the above, no distribution of the residual assets shall be made to any First Series Class-IV Preferred Shareholder or First Series Class-IV Registered Preferred Share Pledgee.

4. Acquisition Clause

(1) The Company may acquire in whole or in part the First Series Class-IV Preferred Shares on the date separately determined by the Company, provided, however, that such date shall be on or prior to March 31, 2008.

(2) The acquisition price shall be two thousand and three hundred (2,300) yen per share of the First Series Class-IV Preferred Shares if acquired on or prior to September 30, 2007, or shall be two thousand and five hundred (2,500) yen per share of the First Series Class-IV Preferred Shares if acquired on or after October 1, 2007.

(3) In the case that only part of the First Series Class-IV Preferred Shares are to be acquired, such acquisition shall be made on a pro rata basis based on the number of First Series Class-IV Preferred Shares held by each of the First Series Class-IV Preferred Shareholders.

5. Voting Rights

No First Series Class-IV Preferred Shareholder shall have a voting right at any general meeting of shareholders.

6. Consolidation or Split of Shares and Grant of Right to Receive Allocation of Offered Shares, etc.
 Unless otherwise provided for by laws or regulations, no consolidation or split of shares, gratuitous allocation of shares or stock acquisition rights shall be made with respect to the First Series Class-IV Preferred Shares.
 No right to receive an allocation of offered shares nor to receive an allocation of offered stock acquisition rights shall be granted by the Company to the First Series Class-IV Preferred Shareholders.

7. Right to Request Acquisition of First Series Class-IV Preferred Shares in Exchange for Delivery of Shares of Common Stock
 - (1) Period Available for Request for Acquisition (hereinafter referred to as the “Conversion Request Period”)
 - On and after October 29, 2024
 - (2) Terms of Conversion Price, etc.
 The First Series Class-IV Preferred Shareholders may request (hereinafter referred to as the “Conversion Request”) the Company to acquire the First Series Class-IV Preferred Shares in exchange for delivery of shares of common stock of the Company at the conversion price as provided for in (i) through (iii) below per share:
 - (i) Initial Conversion Price
 The initial conversion price shall be the average of the closing prices (regular way) (including the closing bid or offered price) of shares of the Company’s common stock on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to October 29, 2024 (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen); provided, however, that as a result of the above calculation, if the initial conversion price is less than two hundred (200) yen (hereinafter referred to as the “Minimum Initial Conversion Price” (adjusted pursuant to Item (iii) below)), the Minimum Initial Conversion Price shall be the initial conversion price.
 - (ii) Revision of Conversion Price
 The conversion price shall, on and after October 29, 2025, on October 29 of each year (hereinafter individually referred to as the “Conversion Price Revision Date”), be revised and changed to the amount equivalent to the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to each Conversion Price Revision Date (hereinafter individually referred to as the “Market Price Calculation Period”) (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen; hereinafter referred to as the “Revised Conversion Price”). Furthermore, if any of the events for adjustment of the conversion price as provided for in (iii) below occurs during the above Market Price Calculation Period, the Revised Conversion Price shall be adjusted to the figure the Board of Directors deems appropriate pursuant to (iii) below.) Provided, however, that if, as a result of the above calculation, the Revised Conversion Price is less than an amount equivalent to eighty (80)% of the initial conversion price (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the

nearest tenth (1/10) of one (1) yen; hereinafter referred to as the “Minimum Conversion Price” (adjusted pursuant to (iii) below)), the Revised Conversion Price shall be the Minimum Conversion Price.

(iii) Adjustment of Conversion Price

(A) On and after October 29, 2024, the conversion price shall be adjusted in accordance with the following formula (hereinafter referred to as the “Adjustment Conversion Price Formula”) due to each event referred to in (B) below:

$$\begin{array}{r}
 \text{Conversion Price After Adjustment} = \text{Conversion Price Before Adjustment} \times \frac{\text{Number of Issued Shares of Common Stock} + \frac{\text{Number of Shares of Common Stock to be Newly Issued or Disposed} \times \text{Payment Price Per Share}}{\text{Market Price Per Share}}}{\text{Number of Issued Shares of Common Stock} + \text{Number of Shares of Common Stock to be Newly Issued or Disposed}}
 \end{array}$$

(B) The events for which the conversion price of the First Series Class-IV Preferred Shares is adjusted in accordance with the Adjustment Conversion Price Formula and the time of application of the conversion price for such adjustment shall be as provided below:

- (a) If shares of common stock are newly issued, or shares of common stock held by the Company are disposed, at a price below the market price as provided for in (E) (b) below (unless by way of acquiring or exercising securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company, or stock acquisition rights (including stock acquisition rights incorporated in bonds with stock acquisition rights) in exchange for which delivery of shares of common stock of the Company may be requested):
The conversion price after adjustment shall be applied on and after the day following the payment or, if a record date is set for the offer, on and after the day immediately after such record date.
- (b) If making a stock split (including gratuitous allocation of shares):
The conversion price after adjustment shall be applied on and after the day immediately after the record date for the stock split.
- (c) If securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company or stock acquisition rights or bonds with stock acquisition rights in exchange for which delivery of shares of common stock of the Company may be requested are issued at an initial price below the market price as provided for in (E) (b) below:
The conversion price after adjustment shall be calculated pursuant to the Adjustment Conversion Price Formula, assuming that all the securities, stock acquisition rights or bonds with stock acquisition rights to be issued have been acquired at the initial conversion price or exercised at the

initial exercise price, and shall be applied on and after the day immediately after the payment (if stock acquisition rights are issued without any consideration, the allotment date); provided however, that if there is a record date for the offer of the securities, it shall be applied on and after the day immediately after such record date.

- (C) Apart from the events for which an adjustment of the conversion price is required, as provided for in the above (B), the Company shall make an adjustment of the conversion price as the Board of Directors deems appropriate in the following events:
- (a) When the adjustment of the conversion price is necessary due to consolidation of shares, reduction of the amount of capital, corporate split or merger;
 - (b) When an adjustment of the conversion price is necessary due to other events that cause or may cause a change in the number of shares of common stock of the Company; or
 - (c) When two (2) or more events which require adjustments of the conversion price coincide in proximate timings, and it is necessary to take into consideration an influence given by one event upon the market price to be used for calculating the conversion price after adjustment due to the other event(s).
- (D) As long as the amount of difference between the conversion price after adjustment obtained by calculation in accordance with the Adjustment Conversion Price Formula and the conversion price before adjustment remains below one yen, the conversion price shall not be adjusted; provided, however, that the amount equivalent to such difference shall be counted in the conversion price after adjustment to be calculated upon any event thereafter requiring an adjustment of the conversion price.
- (E)
- (a) The calculation using the Adjustment Conversion Price Formula shall be made down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
 - (b) The market price to be used in the Adjustment Formula of Conversion Price shall be the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the date on which the conversion price after adjustment is first applied, obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
 - (c) The conversion price before adjustment to be used in the Adjustment Conversion Price Formula shall be the conversion price in effect on the day immediately preceding the date on which the conversion price after adjustment is first applied, and the number of issued shares of common stock to be used in the Adjustment Conversion Price Formula shall be the number obtained by deducting the number of shares of the common stock of the Company held by the Company on a record date (if there is a record date) or on the date one (1) month prior to the date the conversion price after adjustment

is first applied (if there is no record date), from the number of issued shares of the common stock of the Company on such relevant date.

- (iv) When revising or adjusting the conversion price in accordance with (ii) or (iii) above, the Company shall give prior notice in writing to the First Series Class-IV Preferred Shareholders with respect to such revision or adjustment, its cause, conversion price before revision or adjustment, conversion price after revision or adjustment, date of its application and other necessary matters; provided, however, that in the case of failing to give the above notice by the day before the date of application, the Company shall promptly do this on or after the date of application.

- (v) Number of Shares of Common Stock to be Delivered in Exchange for the Acquisition

The number of shares of the common stock of the Company to be delivered in exchange for the acquisition of the First Series Class-IV Preferred Shares shall be as follows:

$$\text{Number of Shares of Common Stock to be Delivered in Exchange for Acquisition} = \frac{\text{Number of First Series Class-IV Preferred Shares Submitted by First Series Class-IV Preferred Shareholders for Conversion Request} \times \text{Ten Thousand (10,000) Yen}}{\text{Conversion Price}}$$

In calculating the number of shares of the common stock of the Company to be delivered in exchange for the acquisition, fractions less than one (1) share shall be disregarded and no cash adjustment shall be made therefor.

- (vi) Address for Accepting Conversion Request
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Department
10-11, Higashisuna 7-chome, Koto-ku, Tokyo

- (vii) Effectiveness of Conversion
When the Conversion Request in writing and the share certificates of the First Series Class-IV Preferred Shares arrive at the address for accepting Conversion Request provided for in (vi) above, the Company acquires such First Series Class-IV Preferred Shares, and the First Series Class-IV Preferred Shareholders who made such Conversion Request shall become the shareholders of shares of the common stock of the Company to be delivered by the Company in exchange for the acquisition of such First Series Class-IV Preferred Shares; provided, however, that if the share certificates of the First Series Class-IV Preferred Shares are not issued, the submission of the share certificates is not required.

Terms and Conditions of First Series Class-V Preferred Shares

1. Preferred Dividends

(1) First Series Class-V Preferred Share Dividend

In the case that a distribution of surplus is made by the Company as provided for in Article 36, Paragraph 1 of the Articles of Incorporation, the Company shall make a distribution of surplus of the amount as provided for in (2) below per First Series Class-V Preferred Share (hereinafter referred to as the “First Series Class-V Preferred Share Dividend”) in cash to the holders of the First Series Class-V Preferred Shares (hereinafter referred to as the “First Series Class-V Preferred Shareholders”) or the registered share pledgees in respect of the First Series Class-V Preferred Shares (hereinafter referred to as the “First Series Class-V Registered Preferred Share Pledgees”), in priority to the holders of the shares of common stock of the Company (hereinafter referred to as the “Common Stock Shareholders”) and the registered share pledgees in respect of the shares of the common stock of the Company (hereinafter referred to as the “Registered Common Stock Share Pledgees”); provided, however, that if a First Series Class-V Preferred Share Interim Dividend as provided for in (3) below has been paid in that relevant business year, the amount so paid as the First Series Class-V Preferred Share Interim Dividend shall be deducted from the amount of the relevant First Series Class-V Preferred Share Dividend.

(2) Amount of First Series Class-V Preferred Share Dividend

The amount of the First Series Class-V Preferred Share Dividends shall be the amount obtained by multiplying twelve thousand (12,000) yen by the following annual dividend rate (hereinafter referred to as the “Annual Dividend Rate of First Series Class-V Preferred Shares”) for each business year. The amount of the First Series Class-V Preferred Share Dividend shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1) yen and thereafter rounding off to the nearest thousandth (1/1000) of one (1) yen; provided, however, that if the amount obtained as a result of the calculation exceeds one thousand and two hundred (1,200) yen, the amount of the First Series Class-V Preferred Share Dividends shall be one thousand and two hundred (1,200) yen.

The Annual Dividend Rate of First Series Class-V Preferred Shares shall be the annual rate calculated in accordance with the following formula for each business year from April 1, 2004 until the day immediately preceding the next following Annual Dividend Rate Revision Date respectively (as defined below):

The period from the business year ending March 31, 2005 until the business year ending March 31, 2009

$$\begin{aligned} \text{Annual Dividend Rate of First Series Class-V Preferred Shares} \\ = \text{Japanese yen TIBOR (one-year)} + 0.75\% \end{aligned}$$

The period from the business year ending March 31, 2010 until the business year ending March 31, 2014

$$\begin{aligned} \text{Annual Dividend Rate of First Series Class-V Preferred Shares} \\ = \text{Japanese yen TIBOR (one-year)} + 1.00\% \end{aligned}$$

The period from the business year ending March 31, 2015 until the business year ending March 31, 2019

$$\begin{aligned} \text{Annual Dividend Rate of First Series Class-V Preferred Shares} \\ = \text{Japanese yen TIBOR (one-year)} + 1.25\% \end{aligned}$$

The period from the business year ending March 31, 2020 until the business year ending March 31, 2024

Annual Dividend Rate of First Series Class-V Preferred Shares
= Japanese yen TIBOR (one-year) + 1.50%

After the business year ending March 31, 2025

Annual Dividend Rate of First Series Class-V Preferred Shares
= Japanese yen TIBOR (one-year) + 1.75%

The Annual Dividend Rate of First Series Class-V Preferred Shares shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1) % and thereafter rounding off to the nearest thousandth (1/1000) of one (1) %.

“Annual Dividend Rate Revision Date” shall be April 1, 2005 and April 1 of each year thereafter. If such day is a bank holiday, the business day immediately preceding such bank holiday shall be the Annual Dividend Rate Revision Date.

“Japanese yen TIBOR (one-year)” shall mean the average of the figures, each published at 11:00 a.m. by the Japanese Bankers Association as the Japanese yen one-year Tokyo Interbank Offered Rate (Japanese yen TIBOR), on April 1, 2004, or each Annual Dividend Rate Revision Date and on October 1 immediately thereafter (if such day is a bank holiday, the business day immediately preceding such bank holiday) (hereinafter referred to as the “Preferred Share Dividends Determination Base Date”, respectively).

In the case that Japanese yen one-year Tokyo Inter Bank Offered Rate is not published on the Preferred Share Dividends Determination Base Date as calculating such average, a figure published by the British Bankers Association (BBA) as the London Interbank Offered Rate (Euro-yen LIBOR (one-year) (on the basis of a 360-day year)) displayed on the screen page at 11:00 a.m. (London time) on the same day (if such day is a bank holiday in London, the business day immediately preceding such bank holiday) or a figure deemed to correspond thereto shall be substituted for Japanese yen one-year Tokyo Inter Bank Offered Rate.

(3) First Series Class-V Preferred Share Interim Dividend

In the case that an interim dividend as provided for in Article 36, Paragraph 2 of the Articles of Incorporation is paid by the Company, the Company shall make a distribution of surplus of one-half of the amount (shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1) yen and thereafter rounding off to the nearest thousandth (1/1000) of one (1) yen) as provided for in (2) above (hereinafter referred to as the “First Series Class-V Preferred Share Interim Dividend”) in cash to the First Series Class-V Preferred Shareholders or the First Series Class-V Registered Preferred Share Pledgees, in priority to the Common stock Shareholders and the Registered Common stock Share Pledgees.

(4) Non-Cumulative Clause

If the per share amount of surplus to be distributed to the First Series Class-V Preferred Shareholders or the First Series Class-V Registered Preferred Share Pledgees during a business year falls short of the amount of First Series Class-V Preferred Share Dividend as provided for in (2) above, such shortfall shall not be payable in any succeeding business year.

(5) Non-Participation Clause

The Company shall not pay any amount in excess of the First Series Class-V

Preferred Share Dividend to any First Series Class-V Preferred Shareholder or First Series Class-V Registered Preferred Share Pledgee as dividends in any business year.

2. **Distribution of Residual Assets**

In the case of distribution of residual assets of the Company, twelve thousand (12,000) yen shall be payable per First Series Class-V Preferred Share to the First Series Class-V Preferred Shareholders or the First Series Class-V Registered Preferred Share Pledgees in priority to the Common stock Shareholders and the Registered Common stock Share Pledgees.

Except as provided for in the above, no distribution of the residual assets shall be made to any First Series Class-V Preferred Shareholder or First Series Class-V Registered Preferred Share Pledgee.
3. **Acquisition Clause**
 - (1) The Company may acquire in whole or in part the First Series Class-V Preferred Shares on the date separately determined by the Company, provided, however, that such date shall be on or prior to March 31, 2008.
 - (2) The acquisition price shall be five thousand one hundred and sixty (5,160) yen per share of the First Series Class-V Preferred Shares if acquired on or prior to September 30, 2007, or shall be five thousand and four hundred (5,400) yen per share of the First Series Class-V Preferred Shares if acquired on or after October 1, 2007.
 - (3) In the case that only part of the First Series Class-V Preferred Shares are to be acquired, such acquisition shall be made on a pro rata basis based on the number of First Series Class-V Preferred Shares held by each of the First Series Class-V Preferred Shareholders.
4. **Voting Rights**

No First Series Class-V Preferred Shareholder shall have a voting right at any general meeting of shareholders.
5. **Consolidation or Split of Shares and Grant of Right to Receive Allocation of Offered Shares, etc.**

Unless otherwise provided for by laws or regulations, no consolidation or split of shares, gratuitous allocation of shares or stock acquisition rights shall be made with respect to the First Series Class-V Preferred Shares.

No right to receive an allocation of offered shares nor to receive an allocation of offered stock acquisition rights shall be granted by the Company to the First Series Class-V Preferred Shareholders.
6. **Right to Request Acquisition of First Series Class-V Preferred Shares in Exchange for Delivery of Shares of Common Stock**
 - (1) **Period Available for Request for Acquisition (hereinafter referred to as the "Conversion Request Period")**

On and after October 29, 2019
 - (2) **Terms of Conversion Price, etc.**

The First Series Class-V Preferred Shareholders may request (hereinafter referred to as the "Conversion Request") the Company to acquire the First Series Class-V Preferred Shares in exchange for delivery of shares of common stock of the Company at the conversion price as provided for in (i) through (iii) below per share:

 - (i) **Initial Conversion Price**

The initial conversion price shall be the average of the closing prices

(regular way) (including the closing bid or offered price) of shares of the Company's common stock on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day (hereinafter, in these Terms and Conditions, exclusive of days on which no such closing price is reported) prior to October 29, 2019 (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen); provided, however, that if, as a result of the above calculation, the initial conversion price is less than two hundred (200) yen (hereinafter referred to as the "Minimum Initial Conversion Price" (adjusted pursuant to (iii) below)), the initial conversion price shall be the Minimum Initial Conversion Price, and if the initial conversion price is more than two thousand and one hundred and sixty two point two (2,162.2) yen (hereinafter referred to as the "Maximum Initial Conversion Price" (adjusted pursuant to (iii) below)), the initial conversion price shall be the Maximum Initial Conversion Price.

(ii) Revision of Conversion Price

The conversion price shall, on and after October 29, 2020, on October 29 of each year (hereinafter individually referred to as the "Conversion Price Revision Date"), be revised and changed to the amount equivalent to the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to each Conversion Price Revision Date (hereinafter individually referred to as the "Market Price Calculation Period") (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off, to the nearest tenth (1/10) of one (1) yen; hereinafter referred to as the "Revised Conversion Price"). Furthermore, if any of the events for adjustment of the conversion price as provided for in (iii) below occurs during the above Market Price Calculation Period, the Revised Conversion Price shall be adjusted to the figure the Board of Directors deems appropriate pursuant to (iii) below.) Provided, however, that if, as a result of the above calculation, the Revised Conversion Price is less than an amount equivalent to thirty (30)% of the initial conversion price (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen; hereinafter referred to as the "Minimum Conversion Price" (adjusted pursuant to (iii) below)), the Revised Conversion Price shall be the Minimum Conversion Price, and if the Revised Conversion Price is more than an amount equivalent to five hundred (500)% of the initial conversion price (hereinafter referred to as the "Maximum Conversion Price" (adjusted pursuant to (iii) below)), the Revised Conversion Price shall be the Maximum Conversion Price.

(iii) Adjustment of Conversion Price

(A) On and after October 29, 2019, the conversion price shall be adjusted in accordance with the following formula (hereinafter referred to as the "Adjustment Conversion Price Formula") due to each event referred to in (B) below:

$$\begin{array}{r}
\text{Conversion Price After Adjustment} \\
= \\
\text{Conversion Price Before Adjustment}
\end{array}
\times
\frac{
\begin{array}{r}
\text{Number of Issued Shares of Common Stock} \\
+ \\
\text{Number of Shares of Common Stock to be Newly Issued or Disposed}
\end{array}
}{
\begin{array}{r}
\text{Number of Shares of Common Stock to be Newly Issued or Disposed} \\
+ \\
\text{Number of Shares of Common Stock}
\end{array}
}
\times
\begin{array}{r}
\text{Payment Price Per Share} \\
\times \\
\text{Market Price Per Share}
\end{array}$$

- (B) The events for which the conversion price of the First Series Class-V Preferred Shares is adjusted in accordance with the Adjustment Conversion Price Formula and the time of application of the conversion price for such adjustment shall be as provided below:
- (a) If shares of common stock are newly issued, or shares of common stock held by the Company are disposed, at a price below the market price as provided for in (E) (b) below (unless by way of acquiring or exercising securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company, or stock acquisition rights (including stock acquisition rights incorporated in bonds with stock acquisition rights) in exchange for which delivery of shares of common stock of the Company may be requested):
The conversion price after adjustment shall be applied on and after the day following the payment or, if a record date is set for the offer, on and after the day immediately after such record date.
 - (b) If making a stock split (including gratuitous allocation of shares):
The conversion price after adjustment shall be applied on and after the day immediately after the record date for the stock split.
 - (c) If securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company or stock acquisition rights or bonds with stock acquisition rights in exchange for which delivery of shares of common stock of the Company may be requested are issued at an initial price below the market price as provided for in (E) (b) below:
The conversion price after adjustment shall be calculated pursuant to the Adjustment Conversion Price Formula, assuming that all the securities, stock acquisition rights or bonds with stock acquisition rights to be issued have been acquired at the initial conversion price or exercised at the initial exercise price, and shall be applied on and after the day immediately after the payment (if stock acquisition rights are issued without any consideration, the allotment date); provided however, that if there is a record date for the offer of the securities, it shall be applied on and after the day immediately after such record date.
- (C) Apart from the events for which an adjustment of the conversion price is required, as provided for in the above (B), the Company shall make an adjustment of the conversion price as the Board of

Directors deems appropriate in the following events:

- (a) When the adjustment of the conversion price is necessary due to consolidation of shares, reduction of the amount of capital, corporate split or merger;
 - (b) When an adjustment of the conversion price is necessary due to other events that cause or may cause a change in the number of shares of common stock of the Company; or
 - (c) When two (2) or more events which require adjustments of the conversion price coincide in proximate timings, and it is necessary to take into consideration an influence given by one event upon the market price to be used for calculating the conversion price after adjustment due to the other event(s).
- (D) As long as the amount of difference between the conversion price after adjustment obtained by calculation in accordance with the Adjustment Conversion Price Formula and the conversion price before adjustment remains below one yen, the conversion price shall not be adjusted; provided, however, that the amount equivalent to such difference shall be counted in the conversion price after adjustment to be calculated upon any event thereafter requiring an adjustment of the conversion price.
- (E)
- (a) The calculation using the Adjustment Conversion Price Formula shall be made down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
 - (b) The market price to be used in the Adjustment Formula of Conversion Price shall be the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the date on which the conversion price after adjustment is first applied, obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
 - (c) The conversion price before adjustment to be used in the Adjustment Conversion Price Formula shall be the conversion price in effect on the day immediately preceding the date on which the conversion price after adjustment is first applied, and the number of issued shares of common stock to be used in the Adjustment Conversion Price Formula shall be the number obtained by deducting the number of shares of the common stock of the Company held by the Company on a record date (if there is a record date) or on the date one (1) month prior to the date the conversion price after adjustment is first applied (if there is no record date), from the number of issued shares of the common stock of the Company on such relevant date.
- (iv) When revising or adjusting the conversion price in accordance with (ii) or (iii) above, the Company shall give prior notice in writing to the First Series Class-V Preferred Shareholders with respect to such revision or adjustment, its cause, conversion price before revision or adjustment, conversion price after revision or adjustment, date of its application and other necessary matters; provided, however, that in the

case of failing to give the above notice by the day before the date of application, the Company shall promptly do this on or after the date of application.

- (v) Number of Shares of Common Stock to be Delivered in Exchange for the Acquisition

The number of shares of the common stock of the Company to be delivered in exchange for the acquisition of the First Series Class-V Preferred Shares shall be as follows:

$$\text{Number of Shares of Common Stock to be Delivered in Exchange for Acquisition} = \frac{\text{Number of First Series Class-V Preferred Shares Submitted by First Series Class-V Preferred Shareholders for Conversion Request} \times \text{Twelve Thousand (12,000) Yen}}{\text{Conversion Price}}$$

In calculating the number of shares of the common stock of the Company to be delivered in exchange for the acquisition, fractions less than one (1) share shall be disregarded and no cash adjustment shall be made therefor.

- (vi) Address for Accepting Conversion Request
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Department
10-11, Higashisuna 7-chome, Koto-ku, Tokyo
- (vii) Effectiveness of Conversion
When the Conversion Request in writing and the share certificates of the First Series Class-V Preferred Shares arrive at the address for accepting Conversion Request provided for in (vi) above, the Company acquires such First Series Class-V Preferred Shares, and the First Series Class-V Preferred Shareholders who made such Conversion Request shall become the shareholders of shares of the common stock of the Company to be delivered by the Company in exchange for the acquisition of such First Series Class-V Preferred Shares; provided, however, that if the share certificates of the First Series Class-V Preferred Shares are not issued, the submission of the share certificates is not required.

Terms and Conditions of Second Series Class-V Preferred Shares

1. Preferred Dividends

(1) Second Series Class-V Preferred Share Dividend

In the case that a distribution of surplus is made by the Company as provided for in Article 36, Paragraph 1 of the Articles of Incorporation, the Company shall make a distribution of surplus of the amount as provided for in (2) below per Second Series Class-V Preferred Share (hereinafter referred to as the “Second Series Class-V Preferred Share Dividend”) in cash to the holders of the Second Series Class-V Preferred Shares (hereinafter referred to as the “Second Series Class-V Preferred Shareholders”) or the registered share pledgees in respect of the Second Series Class-V Preferred Shares (hereinafter referred to as the “Second Series Class-V Registered Preferred Share Pledgees”), in priority to the holders of the shares of common stock of the Company (hereinafter referred to as the “Common Stock Shareholders”) and the registered share pledgees in respect of the shares of the common stock of the Company (hereinafter referred to as the “Registered Common Stock Share Pledgees”); provided, however, that if a Second Series Class-V Preferred Share Interim Dividend as provided for in (3) below has been paid in that relevant business year, the amount so paid as the Second Series Class-V Preferred Share Interim Dividend shall be deducted from the amount of the relevant Second Series Class-V Preferred Share Dividend.

(2) Amount of Second Series Class-V Preferred Share Dividend

The amount of the Second Series Class-V Preferred Share Dividends shall be the amount obtained by multiplying ten thousand (10,000) yen by the following annual dividend rate (hereinafter referred to as the “Annual Dividend Rate of Second Series Class-V Preferred Shares”) for each business year. The amount of the Second Series Class-V Preferred Share Dividend shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1) yen and thereafter rounding off to the nearest thousandth (1/1000) of one (1) yen; provided, however, that if the amount obtained as a result of the calculation exceeds one thousand (1,000) yen, the amount of the Second Series Class-V Preferred Share Dividends shall be one thousand (1,000) yen.

The Annual Dividend Rate of Second Series Class-V Preferred Shares shall be the annual rate calculated in accordance with the following formula for each business year from April 1, 2004 until the day immediately preceding the next following Annual Dividend Rate Revision Date respectively (as defined below):

The period from the business year ending March 31, 2005 until the business year ending March 31, 2009

$$\begin{aligned} \text{Annual Dividend Rate of Second Series Class-V Preferred Shares} \\ = \text{Japanese yen TIBOR (one-year)} + 1.75\% \end{aligned}$$

The period from the business year ending March 31, 2010 until the business year ending March 31, 2014

$$\begin{aligned} \text{Annual Dividend Rate of Second Series Class-V Preferred Shares} \\ = \text{Japanese yen TIBOR (one-year)} + 2.00\% \end{aligned}$$

The period from the business year ending March 31, 2015 until the business year ending March 31, 2019

$$\begin{aligned} \text{Annual Dividend Rate of Second Series Class-V Preferred Shares} \\ = \text{Japanese yen TIBOR (one-year)} + 2.25\% \end{aligned}$$

The period from the business year ending March 31, 2020 until the business year ending March 31, 2024

Annual Dividend Rate of Second Series Class-V Preferred Shares
= Japanese yen TIBOR (one-year) + 2.50%

After the business year ending March 31, 2025

Annual Dividend Rate of Second Series Class-V Preferred Shares
= Japanese yen TIBOR (one-year) + 2.75%

The Annual Dividend Rate of Second Series Class-V Preferred Shares shall be obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1)% and thereafter rounding off to the nearest thousandth (1/1000) of one (1)%.

“Annual Dividend Rate Revision Date” shall be April 1, 2005 and April 1 of each year thereafter. If such day is a bank holiday, the business day immediately preceding such bank holiday shall be the Annual Dividend Rate Revision Date.

“Japanese yen TIBOR (one-year)” shall mean the average of the figures, each published at 11:00 a.m. by the Japanese Bankers Association as the Japanese yen one-year Tokyo Interbank Offered Rate (Japanese yen TIBOR), on April 1, 2004, or each Annual Dividend Rate Revision Date and on October 1 immediately thereafter (if such day is a bank holiday, the business day immediately preceding such bank holiday) (hereinafter referred to as the “Preferred Share Dividends Determination Base Date”, respectively).

In the case that Japanese yen one-year Tokyo Inter Bank Offered Rate is not published on the Preferred Share Dividends Determination Base Date as calculating such average, a figure published by the British Bankers Association (BBA) as the London Interbank Offered Rate (Euro-yen LIBOR (one-year) (on the basis of a 360-day year)) displayed on the screen page at 11:00 a.m. (London time) on the same day (if such day is a bank holiday in London, the business day immediately preceding such bank holiday) or a figure deemed to correspond thereto shall be substituted for Japanese yen one-year Tokyo Inter Bank Offered Rate.

(3) Second Series Class-V Preferred Share Interim Dividend

In the case that an interim dividend as provided for in Article 36, Paragraph 2 of the Articles of Incorporation is paid by the Company, the Company shall make a distribution of surplus of one-half of the amount (obtained by calculating down to the nearest ten-thousandth (1/10000) of one (1) yen and thereafter rounding off to the nearest thousandth (1/1000) of one (1) yen) as provided for in (2) above (hereinafter referred to as the “Second Series Class-V Preferred Share Interim Dividend”) in cash to the Second Series Class-V Preferred Shareholders or the Second Series Class-V Registered Preferred Share Pledgees, in priority to the Common stock Shareholders and the Registered Common stock Share Pledgees.

(4) Non-Cumulative Clause

If the per share amount of surplus to be distributed to the Second Series Class-V Preferred Shareholders or the Second Series Class-V Registered Preferred Share Pledgees during a business year falls short of the amount of Second Series Class-V Preferred Share Dividend as provided for in (2) above, such shortfall shall not be payable in any succeeding business year.

(5) Non-Participation Clause

The Company shall not pay any amount in excess of the Second Series

Class-V Preferred Share Dividend to any Second Series Class-V Preferred Shareholder or Second Series Class-V Registered Preferred Share Pledgee as dividends in any business year.

2. **Distribution of Residual Assets**

In the case of distribution of residual assets of the Company, ten thousand (10,000) yen shall be payable per Second Series Class-V Preferred Share to the Second Series Class-V Preferred Shareholders or the Second Series Class-V Registered Preferred Share Pledgees in priority to the Common stock Shareholders and the Registered Common stock Share Pledgees.

Except as provided for in the above, no distribution of the residual assets shall be made to any Second Series Class-V Preferred Shareholder or Second Series Class-V Registered Preferred Share Pledgee.
3. **Acquisition Clause**
 - (1) The Company may acquire in whole or in part the Second Series Class-V Preferred Shares on the date separately determined by the Company, provided, however, that such date shall be on or prior to March 31, 2008.
 - (2) The acquisition price shall be ten thousand (10,000) yen per share of the Second Series Class-V Preferred Shares if acquired on or prior to September 30, 2007, or shall be ten thousand and two hundred (10,200) yen per share of the Second Series Class-V Preferred Shares if acquired on or after October 1, 2007.
 - (3) In the case that only part of the Second Series Class-V Preferred Shares are to be acquired, such acquisition shall be made on a pro rata basis based on the number of Second Series Class-V Preferred Shares held by each of the Second Series Class-V Preferred Shareholders.
4. **Voting Rights**

No Second Series Class-V Preferred Shareholder shall have a voting right at any general meeting of shareholders.
5. **Consolidation or Split of Shares and Grant of Right to Receive Allocation of Offered Shares, etc.**

Unless otherwise provided for by laws or regulations, no consolidation or split of shares, gratuitous allocation of shares or stock acquisition rights shall be made with respect to the Second Series Class-V Preferred Shares.

No right to receive an allocation of offered shares nor to receive an allocation of offered stock acquisition rights shall be granted by the Company to the Second Series Class-V Preferred Shareholders.
6. **Right to Request Acquisition of Second Series Class-V Preferred Shares in Exchange for Delivery of Shares of Common Stock**
 - (1) **Period Available for Request for Acquisition (hereinafter referred to as the "Conversion Request Period")**

On and after October 29, 2015
 - (2) **Terms of Conversion Price, etc.**

The Second Series Class-V Preferred Shareholders may request (hereinafter referred to as the "Conversion Request") the Company to acquire the Second Series Class-V Preferred Shares in exchange for delivery of shares of common stock of the Company at the conversion price as provided for in (i) through (iii) below per share:

 - (i) **Initial Conversion Price**

The initial conversion price shall be the average of the closing prices

(regular way) (including the closing bid or offered price) of shares of the Company's common stock on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day (hereinafter, in these Terms and Conditions, exclusive of days on which no such closing price is reported) prior to October 29, 2015 (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen); provided, however, that if, as a result of the above calculation, the initial conversion price is less than two hundred (200) yen (hereinafter referred to as the "Minimum Initial Conversion Price" (adjusted pursuant to (iii) below)), the initial conversion price shall be the Minimum Initial Conversion Price, and if the initial conversion price is more than eight hundred and sixty four point nine (864.9) yen (hereinafter referred to as the "Maximum Initial Conversion Price" (adjusted pursuant to (iii) below)), the initial conversion price shall be the Maximum Initial Conversion Price.

(ii) Revision of Conversion Price

The conversion price shall, on and after October 29, 2016, on October 29 of each year (hereinafter individually referred to as the "Conversion Price Revision Date"), be revised and changed to the amount equivalent to the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to each Conversion Price Revision Date (hereinafter individually referred to as the "Market Price Calculation Period") (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen; hereinafter referred to as the "Revised Conversion Price"). Furthermore, if any of the events for adjustment of the conversion price as provided for in (iii) below occurs during the above Market Price Calculation Period, the Revised Conversion Price shall be adjusted to the figure the Board of Directors deems appropriate pursuant to (iii) below.) Provided, however, that if, as a result of the above calculation, the Revised Conversion Price is less than an amount equivalent to thirty (30)% of the initial conversion price (obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen; hereinafter referred to as the "Minimum Conversion Price" (adjusted pursuant to (iii) below)), the Revised Conversion Price shall be the Minimum Conversion Price, and if the Revised Conversion Price is more than an amount equivalent to two hundred (200)% of the initial conversion price (hereinafter referred to as the "Maximum Conversion Price" (adjusted pursuant to (iii) below)), the Revised Conversion Price shall be the Maximum Conversion Price.

(iii) Adjustment of Conversion Price

(A) On and after October 29, 2015, the conversion price shall be adjusted in accordance with the following formula (hereinafter referred to as the "Adjustment Conversion Price Formula") due to each event referred to in (B) below:

$$\begin{array}{r}
\text{Conversion Price After Adjustment} \\
= \\
\text{Conversion Price Before Adjustment}
\end{array}
\times
\frac{
\begin{array}{r}
\text{Number of Issued Shares of Common Stock} \\
+ \\
\text{Number of Shares of Common Stock to be Newly Issued or Disposed}
\end{array}
}{
\begin{array}{r}
\text{Number of Shares of Common Stock to be Newly Issued or Disposed} \\
+ \\
\text{Number of Shares of Common Stock}
\end{array}
}
\times
\begin{array}{r}
\text{Payment Price Per Share} \\
\hline
\text{Market Price Per Share}
\end{array}$$

(B) The events for which the conversion price of the Second Series Class-V Preferred Shares is adjusted in accordance with the Adjustment Conversion Price Formula and the time of application of the conversion price for such adjustment shall be as provided below:

(a) If shares of common stock are newly issued, or shares of common stock held by the Company are disposed, at a price below the market price as provided for in (E) (b) below (unless by way of acquiring or exercising securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company, or stock acquisition rights (including stock acquisition rights incorporated in bonds with stock acquisition rights) in exchange for which delivery of shares of common stock of the Company may be requested):

The conversion price after adjustment shall be applied on and after the day following the payment or, if a record date is set for the offer, on and after the day immediately after such record date.

(b) If making a stock split (including gratuitous allocation of shares):

The conversion price after adjustment shall be applied on and after the day immediately after the record date for the stock split.

(c) If securities to be acquired or to be requested to be acquired in exchange for delivery of shares of common stock of the Company or stock acquisition rights or bonds with stock acquisition rights in exchange for which delivery of shares of common stock of the Company may be requested are issued at an initial price below the market price as provided for in (E) (b) below:

The conversion price after adjustment shall be calculated pursuant to the Adjustment Conversion Price Formula, assuming that all the securities, stock acquisition rights or bonds with stock acquisition rights to be issued have been acquired at the initial conversion price or exercised at the initial exercise price, and shall be applied on and after the day immediately after the payment (if stock acquisition rights are issued without any consideration, the allotment date); provided however, that if there is a record date for the offer of the securities, it shall be applied on and after the day immediately after such record date.

(C) Apart from the events for which an adjustment of the conversion price is required, as provided for in the above (B), the Company shall make an adjustment of the conversion price as the Board of

Directors deems appropriate in the following events:

- (a) When the adjustment of the conversion price is necessary due to consolidation of shares, reduction of the amount of capital, corporate split or merger;
 - (b) When an adjustment of the conversion price is necessary due to other events that cause or may cause a change in the number of shares of common stock of the Company; or
 - (c) When two (2) or more events which require adjustments of the conversion price coincide in proximate timings, and it is necessary to take into consideration an influence given by one event upon the market price to be used for calculating the conversion price after adjustment due to the other event(s).
- (D) As long as the amount of difference between the conversion price after adjustment obtained by calculation in accordance with the Adjustment Conversion Price Formula and the conversion price before adjustment remains below one yen, the conversion price shall not be adjusted; provided, however, that the amount equivalent to such difference shall be counted in the conversion price after adjustment to be calculated upon any event thereafter requiring an adjustment of the conversion price.
- (E)
- (a) The calculation using the Adjustment Conversion Price Formula shall be made down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
 - (b) The market price to be used in the Adjustment Formula of Conversion Price shall be the average of the closing prices (regular way) (including the closing bid or offered price) of shares of common stock of the Company on the Tokyo Stock Exchange for each of the thirty (30) trading days commencing on the forty-fifth (45th) trading day prior to the date on which the conversion price after adjustment is first applied, obtained by calculating down to the nearest hundredth (1/100) of one (1) yen and thereafter rounding off to the nearest tenth (1/10) of one (1) yen.
 - (c) The conversion price before adjustment to be used in the Adjustment Conversion Price Formula shall be the conversion price in effect on the day immediately preceding the date on which the conversion price after adjustment is first applied, and the number of issued shares of common stock to be used in the Adjustment Conversion Price Formula shall be the number obtained by deducting the number of shares of the common stock of the Company held by the Company on a record date (if there is a record date) or on the date one (1) month prior to the date the conversion price after adjustment is first applied (if there is no record date), from the number of issued shares of the common stock of the Company on such relevant date.
- (iv) When revising or adjusting the conversion price in accordance with (ii) or (iii) above, the Company shall give prior notice in writing to the Second Series Class-V Preferred Shareholders with respect to such revision or adjustment, its cause, conversion price before revision or adjustment, conversion price after revision or adjustment, date of its application and other necessary matters; provided, however, that in the

case of failing to give the above notice by the day before the date of application, the Company shall promptly do this on or after the date of application.

- (v) Number of Shares of Common Stock to be Delivered in Exchange for the Acquisition

The number of shares of the common stock of the Company to be delivered in exchange for the acquisition of the Second Series Class-V Preferred Shares shall be as follows:

$$\text{Number of Shares of Common Stock to be Delivered in Exchange for Acquisition} = \frac{\text{Number of Second Series Class-V Preferred Shares Submitted by Second Series Class-V Preferred Shareholders for Conversion Request} \times \text{Ten Thousand (10,000) Yen}}{\text{Conversion Price}}$$

In calculating the number of shares of the common stock of the Company to be delivered in exchange for the acquisition, fractions less than one (1) share shall be disregarded and no cash adjustment shall be made therefor.

- (vi) Address for Accepting Conversion Request
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Department
10-11, Higashisuna 7-chome, Koto-ku, Tokyo

- (vii) Effectiveness of Conversion
When the Conversion Request in writing and the share certificates of the Second Series Class-V Preferred Shares arrive at the address for accepting Conversion Request provided for in (vi) above, the Company acquires such Second Series Class-V Preferred Shares, and the Second Series Class-V Preferred Shareholders who made such Conversion Request shall become the shareholders of shares of the common stock of the Company to be delivered by the Company in exchange for the acquisition of such Second Series Class-V Preferred Shares; provided, however, that if the share certificates of the Second Series Class-V Preferred Shares are not issued, the submission of the share certificates is not required.