

[REFERENCE TRANSLATION]

Please note that this translation is to be used solely as reference.

In case of any discrepancy between this translation and the Japanese original, the latter shall prevail.



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Notice Regarding Partial Amendment to Articles of Incorporation and Shelf Registration with Respect to Issuance of Series 1 Bond-Type Class Stock

Japan Airlines Co., Ltd (hereafter “the Company”) hereby announces that the Board of Directors passed a resolution today to submit a proposal for a partial amendment to the Articles of Incorporation (“Amendment to Articles of Incorporation”) at the Company’s 76th Ordinary General Meeting of Shareholders (“General Meeting of Shareholders”) to be held on June 24, 2025 and has also submitted a shelf registration statement with respect to the issuance of Series 1 Bond-Type Class Stock, as described below.

I. Amendment to Articles of Incorporation

1. Purpose and Reason for Amendment to Articles of Incorporation

The Company group is working together to achieve the “JAL Group Medium-Term Management Plan for FY 2021-2025” to become “the world’s most preferred and valued airline group”. The Company group has positioned an ESG strategy as the top strategy to realize medium- to long-term growth since the announcement of “Rolling Plan 2023” in May 2023. The Company aims to create social values such as regional revitalization and reduction of environmental burden by strengthening relationships and societal connections through air transportation of people and goods, while also simultaneously increasing the Company’s economic value and leading to the improvement of corporate value over the medium- to long-term.

As part of the allocation of management resources to enhance the corporate value, the Company has outlined in its the “Medium-Term Management Plan-Rolling Plan 2025” announced today its plans to make growth investments in the non-aviation segments, with particular focus on mileage, and the acquisition of new aircraft. In order to accelerate initiatives to reduce CO₂ emissions within the aviation segments, the Company promotes upgrading to fuel-efficient aircraft and the use of Sustainable Aviation Fuel (SAF), etc. These initiatives not only enhance the Company’s services but also reduce environmental burden while strengthening overall competitiveness. In the non-aviation segments, by developing a diverse range of products and services centered on mileage and commerce, the Company will endeavor to grow these into new revenue streams.

To maintain stable management as a social infrastructure provider and achieve sustainable growth through the implementation of the relevant ESG strategy in preparation for uncertainties of the global economic landscape, the Company group is working to maintain and improve its financial position. The Company recognizes the importance

of maintaining and improving stable and robust external financing capacity in order to strengthen its financial base and enhancing its risk tolerance to support its business strategies. At the same time, from the perspective of allocating management resources, the Company believes in the importance of delivering returns to common shareholders, who have supported the Company during the COVID-19 pandemic. The Company is working to achieve stable returns to shareholders and improve capital efficiency, mainly through distributions of surplus.

Against this backdrop, in order to realize sustainable enhancement of corporate value, the Company believes that “Bond-Type Class Stock”, which does not cause dilution to common shareholders, would be a useful financing option to secure funds for growth investment for further promotion of business strategies while simultaneously building a strong financial base and pursuing capital efficiency, including future share buybacks. In addition to the decision to submit the proposed Amendment to Articles of Incorporation to the General Meeting of Shareholders, the Company submitted an amendment to the shelf registration statement for the issuance of the first and second step-up callable perpetual subordinated unsecured bonds with interest deferral options and optional redemption clause (with subordinated covenant) (collectively, “Perpetual Subordinated Bonds”) today. As a result, the Company’s financial strategy is able to offer both options, primarily for retail investors in the form of the Bond-Type Class Stock (as defined below) and for institutional investors in the form of Perpetual Subordinated Bonds. Through flexible capital financing from a wide range of investors, the Company aims to build a strong financial base and achieve high capital efficiency.

In conjunction with the addition of provisions regarding the Series 1 Bond-Type Class Stock through Series 6 Bond-Type Class Stock (“Bond-Type Class Stock”), the provisions regarding preferred shares in the current Articles of Incorporation will be deleted and other necessary changes will be made by the Amendment to Articles of Incorporation.

Please also refer to “Information Material regarding Bond-Type Class Stock” and “Q&A regarding Bond-Type Class Stock” dated today issued by the Company.

2. Content of Amendment to Articles of Incorporation

Please refer to the Attachment, “Proposed Amendment to Articles of Incorporation.”

3. Schedule of Amendment to Articles of Incorporation

Date of General Shareholders Meeting to approve Amendment to Articles of Incorporation: June 24, 2025 (planned)

Planned effective date for Amendment to Articles of Incorporation: June 24, 2025 (planned)

4. Product Nature of Bond-Type Class Stock

1) Product nature of “bond-type” class stock

In consideration of common shareholders of the Company, the hybrid design of the Bond-Type Class Stock provides a combination of (i) features that resemble a “corporate bond”, such as no dividend exceeding the preferred dividends initially set at the timing of issuance and no dilution of voting rights, and (ii) features that resemble “shares”, such as the nature to increase equity capital.

Therefore, the Company believes that if the proposed Amendment to Articles of Incorporation is approved at the General Meeting of Shareholders, the Bond-Type Class Stock will be a valuable financing method for the Company to realize an increase in equity capital to secure a sound financial base without dilution of the voting rights of common shareholders, while taking into more consideration the impact on the Company’s financial indicators, including ROE and EPS for common stock (*), compared to a capital increase through the issuance of common stock.

(Note) On the assumption that the relevant amounts of the Bond-Type Class Stock (paid-in amount and preferred

dividends) are deducted from the net assets and net income when calculating ROE and EPS for common stock.

2) Product nature similar to that of hybrid bonds

At the issuance, the Company envisions a product nature similar to that of so-called hybrid bonds, such as the Perpetual Subordinated Bonds, which the Company plans to issue, and is considering a design with the following key features.

(Key Features)

Preferred Dividends	Fixed dividend for approximately five years from the issuance (Note 1) and variable dividend thereafter, senior to common stock, cumulative, and non-participating
Clause for Acquisition by the Company (Call Option)	The Company may call Bond-Type Class Stock in exchange for cash after five years from the issuance (Note 2)
Voting rights	None
Right to convert into common stock	None

Meanwhile, unlike typical hybrid bonds, proceeds from the issuance of Bond-Type Class Stock can be recorded as equity for accounting purposes. Compared to the issuance of common stock, the issuance of Bond-Type Class Stock involves lower capital costs as their capital costs are equal to the annual dividend rate determined at the time of issuance. (Note 1)

(Note 1) In the market environment as of March 19, 2025, the annual dividend rate is expected to be 5% or less for the period from the fiscal year of issuance of the Series 1 Bond-Type Class Stock to the fiscal year five years later.

(Note 2) In the case of hybrid bonds, it is a common market practice for the issuer to redeem (call) them at certain stages, such as when the fixed interest rate period ends.

The Company proposes an authorized capital of up to sixth Series of Bond-Type Class Stock in the Amendment to Articles of Incorporation so that the Company may flexibly issue another Series of the Bond-Type Class Stock in various situations, including where the Company acquires the Bond-Type Class Stock based on the call option.

3) Issuance by public offering; listing on the Tokyo Stock Exchange

Any subsequent series of Bond-Type Class Stock is anticipated to be issued through a public offering rather than a shareholder allotment (including gratuitous allocation) or third-party allotment, and the Company plans to submit a listing application for such Bond-Type Class Stock for the Prime Market of the TSE. As such, the Company intends to make the product available for investment by retail investors.

4) General Meetings of Class Shareholders

Under the Companies Act, holders of the shares of the Bond-Type Class Stock (“Bond-Type Class Shareholders”) may vote on only the statutory matters provided for in the Companies Act and the matters prescribed in the Articles of Incorporation at General Meetings of Class Shareholders. The Amendment to Articles of Incorporation, if passed,

will require a resolution of the General Meeting of Class Shareholders comprising Bond-Type Class Shareholders if the Company performs any of the following acts and there is any likelihood of causing detriment to Bond-Type Class Shareholders:

- a merger in which the Company will be a disappearing company or a share exchange or share transfer in which the Company will be a wholly-owned subsidiary company (except for a sole-share transfer conducted by the Company); or
- an approval by the Board of Directors of the Company of a demand for a cash-out by a Special Controlling Shareholder against the other shareholders of the Company.

As stated above, the Company does not believe the Bond-Type Class Stock carries a product nature that results in disadvantages to the common shareholders in terms of dilution of their voting rights. Further, as the Company believes it is important to increase the flexibility of its financial strategy so that the Company can respond to any situation, the Company intends to make the Amendment to Articles of Incorporation with the aim of pursuing flexible financing options while maintaining and improving a strong financial base and high capital efficiency.

II. Shelf Registration with respect to the issuance of Series 1 Bond-Type Class Stock

The Company filed a shelf registration statement today for Series 1 Bond-Type Class Stock in the following manner. The issuance conditions, total issuance amount, and certain conditions of the Series 1 Bond-Type Class Stock have not yet been determined. Further, the specific timing of the issuance of the shares of the Bond-Type Class Stock (including Series 1 Bond-Type Class Stock) has not yet been determined. However, if the proposed Amendment to Articles of Incorporation is approved at the General Meeting of Shareholders and if the Company considers Series 1 Bond-Type Class Stock as the best financing option, it may consider issuing the Series 1 Bond-Type Class Stock with offering size of up to 200 billion yen during fiscal year 2025, with such a decision dependent on the prevailing market conditions. Any issuance will be determined by the Board of Directors of the Company, in light of the Company's financing strategy. The specific timing of issuance and conditions of the Series 2 Bond-Type Class Stock and subsequent Series of Bond-Type Class Stock, if any, will be determined based on comprehensive consideration of future capital needs and market trends. Depending on the Company's capital policy at the time of issuance, the Company may seek to obtain equity credits by rating agencies on the Series 2 Bond-Type Class Stock or subsequent Series of Bond-Type Class Stock, and such product nature may also be realized under the proposed Amendment to the Articles of Incorporation. Upon the issuance of Series 1 Bond-Type Class Stock, the proceeds will be used for growth investments in the non-aviation segments, with particular focus on mileage, and the acquisition of new aircraft. The details will be decided after careful consideration of future capital requirements and market trends.

(1) Class of Offered Securities	Series 1 Bond-Type Class Stock
(2) Planned Issue Period	2 years after the planned effective date of the shelf registration (March 27, 2025 to March 26, 2027)
(3) Planned Issue Amount	The maximum amount is set at 200 billion yen
(4) Offering Method	Public offering
(5) Use of Proceeds	The proceeds will be used for growth investments in the non-aviation segments, with particular focus on mileage, and the acquisition of new aircraft. Further details will be determined at the timing of the resolution of issuance.

Attachment 1

Proposed Amendment to Articles of Incorporation

(Underline indicates the changes)

Current Articles of Incorporation	Proposed change
<p>Article 1-Article 5 (Omitted)</p> <p>(Total Number of Authorized Shares)</p> <p>Article 6: The Company shall be authorized to issue Seven hundred and fifty million (750,000,000) shares and each class share shall be as follows:</p> <p>Common Stock: Seven hundred million (700,000,000)</p> <p><u>Type 1 Stock: Twelve million and five hundred thousand (12,500,000)</u></p> <p><u>Type 2 Stock: Twelve million and five hundred thousand (12,500,000)</u></p> <p><u>Type 3 Stock: Twelve million and five hundred thousand (12,500,000)</u></p> <p><u>Type 4 Stock: Twelve million and five hundred thousand (12,500,000).</u></p>	<p>Article 1-Article 5 (No change)</p> <p>(Total Number of Authorized Shares)</p> <p>Article 6: The Company shall be authorized to issue Seven hundred and fifty million (750,000,000) shares and each class share shall be as follows:</p> <p>Common Stock: Seven hundred million (700,000,000)</p> <p><u>Series 1 Bond-Type Class Stock: Fifty million (50,000,000)</u></p> <p><u>Series 2 Bond-Type Class Stock: Fifty million (50,000,000)</u></p> <p><u>Series 3 Bond-Type Class Stock: Fifty million (50,000,000)</u></p> <p><u>Series 4 Bond-Type Class Stock: Fifty million (50,000,000)</u></p> <p><u>Series 5 Bond-Type Class Stock: Fifty million (50,000,000)</u></p> <p><u>Series 6 Bond-Type Class Stock: Fifty million (50,000,000).</u></p>
<p>Article 6.2 (Omitted)</p>	<p>Article 6.2 (No change)</p>
<p><Newly established></p>	<p><u>(Absence of Seller Put Options when the Company Acquires the Bond-Type Class Stock)</u></p> <p><u>Article 6.3: If the Company decides to acquire all or part of the Bond-Type Class Stock (Series 1 Bond-Type Class Stock through Series 6 Bond-Type Class Stock (shares of any one class of the Series 1 Bond-Type Class Stock through Series 6 Bond-Type Class Stock, the “Shares of Each Series of Bond-Type Class” hereinafter)) held by a specific holder of shares of the Bond-Type Class Stock (a holder of the shares of the Bond-Type Class Stock shall be a “Bond-Type Class</u></p>

<p>(Shares)</p> <p>Article 7: The number of shares constituting one (1) unit for shares of Common Stock, <u>Type 1 Stock, Type 2 Stock Type 3 Stock and Type 4 Stock</u> of the Company <u>of one unit of the Company</u> shall be One hundred (100) shares.</p> <p>Article 8-Article 13 (Omitted)</p> <p>(Record Date)</p> <p>Article 14</p> <p>14.1 (Omitted)</p> <p>14.2: In addition to the cases referred to in Section 14.1 and Article 45 hereof, the Company may, as and when authorized to do so by a resolution of the Board of Directors, fix a record date to determine the shareholders or registered share pledgees who are entitled to exercise any right as such, upon giving appropriate prior public notice.</p> <p>Article 15-Article 16 (Omitted)</p> <p style="text-align: center;">(CHAPTER III <u>PREFERRED SHARES</u>)</p> <p>(Preferred Dividends)</p> <p>Article 17:</p> <p>17.1 <u>In cases where</u> the Company makes distribution of surplus <u>under Article 45 hereof</u>, with the 31st day of March <u>each year</u> as the record date, the Company shall,</p>	<p><u>Shareholder” hereinafter) under an agreement with such Bond-Type Class Shareholder pursuant to a resolution of the General Meeting of Shareholders, and further decides to notify such Bond-Type Class Shareholder of matters prescribed in any item of Article 157, Paragraph 1 of the Companies Act, the provisions of Article 160, Paragraphs 2 and 3 of the Companies Act shall not apply.</u></p> <p>(Shares)</p> <p>Article 7: The number of shares constituting one (1) unit for shares of <u>each of the</u> Common Stock and <u>Bond-Type Class Stock</u> of the Company shall be One hundred (100) shares.</p> <p>Article 8-Article 13 (No change)</p> <p>(Record Date)</p> <p>Article 14</p> <p>14.1 (No change)</p> <p>14.2: In addition to the cases referred to in Section 14.1 and Article 44 hereof, the Company may, as and when authorized to do so by a resolution of the Board of Directors, fix a record date to determine the shareholders or registered share pledgees who are entitled to exercise any right as such, upon giving appropriate prior public notice.</p> <p>Article 15-Article 16 (No change)</p> <p style="text-align: center;">(CHAPTER III <u>BOND-TYPE CLASS STOCK</u>)</p> <p>(Preferred Dividend <u>to Bond-Type Class Stock</u>)</p> <p>Article 17:</p> <p>17.1 <u>When</u> the Company makes <u>a</u> distribution of surplus with the 31st day of March as the record date <u>under Section 44.1</u>, the Company shall <u>pay the distribution of</u></p>
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prior to any distribution to holders of shares of Common Stock (hereinafter to be referred to as “Common Shareholders”) or registered share pledgees of shares of Common Stock (hereinafter to be referred to as “Registered Common Share Pledgees”), make distribution of surplus to holders of Preferred Shares (hereinafter to be referred to as “Preferred Shareholders”) or registered share pledgees of the same (hereinafter to be referred to as “Registered Preferred Share Pledgees”). The distribution of surplus to the Preferred Shareholders and Registered Preferred Share Pledgees shall be made by paying the amount of money described under the following items, corresponding to each type of the stock provided for therein (hereinafter to be referred to as “Preferred Dividends”).

(i) Type 1 Stock and Type 2 Stock: the paid-in amount for subscription per share multiplied by the annual rate of dividends (fifteen (15) percent at maximum) determined by a resolution of the Board of Directors prior to the issuance of the relevant type of Preferred Shares, for each share.

(ii) Type 3 Stock and Type 4 Stock: the paid-in amount for subscription per share multiplied by the annual rate of dividends (ten (10) percent at maximum) determined by a resolution of the Board of Directors prior to the issuance of the relevant type of Preferred Shares, for each share.

surplus in cash in the amount set forth in Item 1 per Share of Each Series of Bond-Type Class (hereinafter to be referred to as “Preferred Dividend to Bond-Type Class Stock”) to the Bond-Type Class Shareholders or registered share pledgees of Bond-Type Class Stock (collectively with the Bond-Type Class Shareholders, hereinafter to be referred to as “Bond-Type Class Shareholders, Etc.”) whose names appear or are recorded in the register of shareholders as of the end of the record date of that dividend, in preference to the holders of Common Stock (hereinafter to be referred to as “Common Shareholders”) and registered share pledgees of Common Stock (collectively with Common Shareholders, hereinafter to be referred to as “Common Shareholders, Etc.”); provided, however, that if Interim Preferred Dividends to Bond-Type Class Stock set forth in Article 18 have been paid during the fiscal year in which the record date of that dividend falls, the amount of those Interim Preferred Dividends to Bond-Type Class Stock shall be deducted from the Preferred Dividend to Bond-Type Class Stock.

(1) The product of the equivalent of the Issue Price (defined in the following item) per share of Bond-Type Class Stock multiplied by the annual dividend rate determined by a resolution of the Board of Directors before the issuance of those shares of the Bond-Type Class Stock (not exceeding ten (10) percent; hereinafter to be referred to as “Annual Dividend Rate”) (if any fractional remainder arises, the fractional remainder shall be as determined by resolution of the Board of Directors before the issuance of those shares of the Bond-Type Class Stock).

(2) “Issue Price” means the amount per share to be paid to the Company in connection with the offering of those shares of the Bond-Type Class Stock (or, if the shares of the Bond-Type Class Stock are offered through purchase and sale by underwriters, the

17.2 If the amount of the payment to Preferred Shareholders and Registered Preferred Share Pledges as distribution of surplus in a business year is less than the amount of Preferred Dividends, the amount of the shortfall shall not be accumulated to the amount of the dividends to be paid in subsequent business years.

17.3 Distribution of surplus made to Preferred Shareholders or Preferred Share Pledges shall not be more than the amount of Preferred Dividends.

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amount per share to be paid by the investors as consideration for those shares of the Bond-Type Class Stock), as determined prior to the issuance of those shares of the Bond-Type Class Stock.

17.2 If the amount of distributions of surplus paid in cash to each Bond-Type Class Shareholder, Etc. per Share of Each Series of Bond-Type Class in a given fiscal year in which the record date falls is less than the amount of the Preferred Dividend to Bond-Type Class Stock payable to those shares of the Bond-Type Class Stock for that fiscal year, that shortfall amount shall be accumulated in subsequent fiscal years by a simple interest calculation calculated by the method determined by a resolution of the Board of Directors based on the Annual Dividend Rate before the issuance of those shares of the Bond-Type Class Stock (such accumulated shortfall shall be hereinafter referred to as “Accumulated Dividends Payable to Bond-Type Class Stock”). The Company shall pay distributions of surplus in cash to the Bond-Type Class Shareholders, Etc. until such payment reaches the amount of Accumulated Dividends Payable to Bond-Type Class Stock per share of the Bond-Type Class Stock, in preference to any distributions of surplus provided for in the preceding paragraph or Article 18.

17.3 No distributions of surplus shall be paid to Bond-Type Class Shareholders, Etc. in excess of the total of the Preferred Dividend to Bond-Type Class Stock and the Accumulated Dividends Payable to Bond-Type Class Stock.

(Interim Preferred Dividend to Bond-Type Class Stock)

Article 18: When the Company makes a distribution of surplus with the 30th day of September as the record date (hereinafter to be referred to as “Interim Dividend Record Date”) pursuant to Section 44.2, the Company shall pay a dividend in cash in the amount per Share of Each Series of Bond-Type Class determined by the

(Distribution of Residual Assets)

Article 18:

18.1 In any case where the residual assets of the Company are distributed, Preferred Shareholders and Registered Preferred Share Pledges shall receive, prior to any distribution to Common Shareholders or Registered Common Share Pledges, the amount determined by a resolution of the Board of Directors for each Preferred Share prior to the issuance of the relevant Preferred Shares, based on the paid-in amount for subscription per share.

18.2 No residual assets shall be distributed to Preferred Shareholders or Registered Preferred Share Pledges other than as provided in the preceding paragraph.

calculation method determined by a resolution of the Board of Directors before the issuance of those shares of the Bond-Type Class Stock (hereinafter to be referred to as "Interim Preferred Dividend to Bond-Type Class Stock") to the Bond-Type Class Shareholders, Etc. whose names appear or are recorded in the register of shareholders as of the end of the Interim Dividend Record Date of that dividend, in preference to the Common Shareholders, Etc.; provided, however, that the amount of Interim Preferred Dividends to Bond-Type Class Stock for which the Interim Dividend Record Date falls in a given fiscal year shall not exceed the amount of the Preferred Dividend to Bond-Type Class Stock for which the record date falls in the same fiscal year.

(Distribution of Residual Assets)

Article 19:

19.1 When the Company makes a distribution of residual assets, the Company shall pay cash in the amount per Share of Each Series of Bond-Type Class calculated by the method determined by a resolution of the Board of Directors before the issuance of those shares of the Bond-Type Class Stock as the sum of the equivalent of the Issue Price per share of the Bond-Type Class Stock plus the amount of the Accumulated Dividends Payable to Bond-Type Class Stock pertaining to those shares of the Bond-Type Class Stock and the equivalent of the Preferred Dividend to Bond-Type Class Stock pertaining to the period from the first day of the fiscal year in which the date of the distribution of residual assets falls to the date of the distribution of residual assets to the Bond-Type Class Shareholders, Etc., in preference to the Common Shareholders, Etc.

19.2 No distribution of residual assets shall be made to Bond-Type Class Shareholders, Etc. other than the distribution provided for in the preceding paragraph.

(Priority for Preferred Dividends and Distribution of Residual Assets)

Article 19: The payment for Preferred Dividends and the distribution of residual assets for each Preferred Share shall be made at the same priority.

(Voting Rights)

Article 20:

20.1 Preferred Shareholders shall have no voting rights at the Meeting of Shareholders.

20.2 Preferred Shareholders shall have no voting rights at the Class Meeting of Shareholders in which Preferred Shareholders are a member, except as provided for in the provisory clause of Article 332 (3) of the Companies Act.

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(Voting Rights)

Article 20: The Bond-Type Class Shareholders shall have no voting rights at the General Meeting of Shareholders with respect to any matter.

(Acquisition by the Company in Exchange for Cash)

Article 21:

21.1 If an event provided for by a resolution of the Board of Directors before the issuance of Shares of Each Series of Bond-Type Class arises with respect to the Bond-Type Class Stock, the Company may acquire all or part of that Bond-Type Class Stock upon the arrival of a date separately determined by a resolution of the Board of Directors. In such case, the Company shall deliver to the Bond-Type Class Shareholders cash in the amount per share of Bond-Type Class Stock calculated by the method determined by a resolution of the Board of Directors before the issuance of the Shares of Each Series of Bond-Type Class as the sum of the equivalent of the Issue Price per share of the Bond-Type Class Stock plus the amount of the Accumulated Dividends Payable to Bond-Type Class Stock pertaining to those shares of the Bond-Type Class Stock and the equivalent of the Preferred Dividend to Bond-Type Class Stock pertaining to the period from the first day of the fiscal year in which the date of the acquisition falls to the date

(Stock Consolidation and Stock Split, etc.)

Article 21:

21.1 The Company shall not split nor consolidate Preferred Shares except as otherwise provided by law.

21.2 The Company shall not make any gratuitous allocation of shares or stock acquisition rights to the Preferred Shareholders.

21.3 The Company shall not grant Preferred Shareholders any rights to receive an allocation of offered shares nor to receive an allocation of offered stock acquisition rights.

of the acquisition, in exchange for the acquisition of those shares of the Bond-Type Class Stock.

21.2 If the Company acquires part of the Bond-Type Class Stock pursuant to the preceding paragraph, the Company shall determine the scope of Bond-Type Class Stock to be acquired from Bond-Type Class Shareholders by a reasonable method determined by the Board of Directors.

(Stock Consolidation and Stock Split, etc.)

Article 22:

22.1 The Company shall not split nor consolidate Bond-Type Class Stock, except as otherwise provided by law.

22.2 The Company shall not make any gratuitous allocation of shares or stock acquisition rights to the Bond-Type Class Shareholders.

22.3 The Company shall not grant to Bond-Type Class Shareholders any rights to receive an allocation of offered shares nor to receive an allocation of offered stock acquisition rights.

22.4 If the Company conducts a share transfer (limited to a sole-share transfer conducted by the Company), the Company shall deliver to Common Shareholders, Etc. shares issued by the wholly-owning parent company incorporated in the share transfer that are of the same class as the shares of the Common Stock of the Company in exchange for the shares of the Common Stock, and deliver to Bond-Type Class Shareholders, Etc. shares issued by the wholly-owning parent company incorporated in the share transfer that are of the same class as the Bond-Type Class Stock in exchange for the Bond-Type Class Stock, in the same ownership ratio respectively.

22.5 The adjustment of the Preferred Dividend to Bond-Type Class Stock and Accumulated Dividends Payable to Bond-Type Class Stock in the case provided for in the preceding paragraph shall be conducted by the method determined by a resolution of the Board of

Directors before the issuance of the Shares of Each Series of Bond-Type Class.

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(Rights to Request Acquisition)

Article 22:

22.1 Holders of shares of Type 3 Stock or Type 4 Stock

may, during the period available for request of acquisition determined by a resolution of the Board of Directors prior to the issuance of such shares (hereinafter to be referred to as "Acquisition Request Term"), request the Company to acquire their shares of Type 3 Stock and Type 4 Stock. If such request is made, the Company shall deliver Common Stock, in exchange of acquiring such Preferred Shares, in the number obtained by multiplying the number of Preferred Shares requested to be acquired by the paid-in amount for subscription per such Preferred Share, and further dividing it by the acquisition price provided in the following paragraph. If the number of shares of Common Stock to be delivered in exchange of acquiring the Preferred Shares includes a fraction of less than one share, it shall be adjusted in accordance with Article 167 (3) of the Companies Act.

22.2 The acquisition price referred to in the preceding

paragraph shall be an amount initially calculated according to a formula determined by a resolution of the Board of Directors prior to the issuance of the shares of Type 3 Stock and Type 4 Stock based on the market price of the shares of Common Stock of the Company, and the method for modification or adjustment of such acquisition amount may be determined by the resolution set forth above. In case a method for the modification of the acquisition price is determined, a minimum price of acquisition shall also be determined by the resolution so that if the acquisition price becomes less than the

minimum price of acquisition, the price is modified to the minimum price of acquisition.

(Entire Acquisition)

Article 23: The Company shall acquire all of the shares of Type 3 Stock and Type 4 Stock not yet acquired by the Company on the day following the last day of the Acquisition Request Term. Upon such acquisition, the Company shall deliver to Preferred Shareholders in exchange of acquiring the Preferred Shares, the shares of Common Stock of the Company in the number obtained by multiplying the number of Preferred Shares held by such Preferred Shareholder by the paid-in amount for subscription per such Preferred Share, and further dividing it by the market price of a share of Common Stock of the Company, the detail of which shall be determined by a resolution of the Board of Directors prior to the issuance of shares of Type 3 Stock or Type 4 Stock. The method for calculating the maximum number of Common Shares to be delivered may be determined by the resolution set forth above. If the number of shares of Common Stock to be delivered in exchange of acquiring the Preferred Shares includes a fraction of less than one share, it shall be adjusted in accordance with Article 234 of the Companies Act.

(Acquisition Provision)

Article 24:

24.1 In case an acquisition event for the Preferred Shares determined by a resolution of the Board of Directors prior to the issuance of the relevant Preferred Shares occurs, the Company may acquire whole or part of such Preferred Shares on a day separately determined by a resolution of the Board of Directors. In such case, the Company shall deliver to each Preferred Shareholder,

(Order of Priority)

Article 23: Payments of Preferred Dividends to Bond-Type Class Stock and Interim Preferred Dividends to Bond-Type Class Stock, and distribution of residual assets to Shares of Each Series of Bond-Type Class are ranked *pari passu*.

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in exchange of acquiring the Preferred Shares, the amount determined by a resolution of the Board of Directors prior to the issuance of the relevant Preferred Shares based on the paid-in amount for subscription per such Preferred Share.

24.2 In case only a part of the Preferred Shares is to be acquired in accordance with the preceding paragraph, the Company shall select shares to be acquired in a drawing or on a pro-rata basis.

(CHAPTER IV
GENERAL MEETINGS OF SHAREHOLDERS)

Article 25-Article 29 (Omitted)

(General Meeting of Holders of a Class of Shares)

Article 30:

30.1 The provisions of Article 26, Section 28.1 and Article 29 shall apply *mutatis mutandis* to the General Meeting of Holders of a Class of Shares.

30.2 The provision of Section 14.1 shall apply *mutatis mutandis* to the General Meeting of Holders of a Class of Shares, which shall be held on the same day as the Annual General Meeting of Shareholders.

30.3 Resolutions of the General Meeting of Holders of a Class of Shares that should be adopted in accordance with the provision of Article 324 (2) of the Companies Act shall be adopted by two-thirds (2/3) or more of the voting rights of shareholders present at the meeting, at which shareholders holding in aggregate one-third (1/3) or more of the voting rights of the shareholders entitled to exercise their voting rights shall be present.

(CHAPTER IV

GENERAL MEETINGS OF SHAREHOLDERS)

Article 24-Article 28 (No change)

(General Meeting of Holders of a Class of Shares)

Article 29:

29.1 The provisions of Article 25, Article 26, Section 27.1 and Article 28 shall apply *mutatis mutandis* to the General Meeting of Holders of a Class of Shares.

29.2 The provision of Section 14.1 shall apply *mutatis mutandis* to the General Meeting of Holders of a Class of Shares, which shall be held on the same day as the Annual General Meeting of Shareholders.

29.3 Resolutions of the General Meeting of Holders of a Class of Shares specified in Article 324 (2) of the Companies Act shall be adopted by two-thirds (2/3) or more of the voting rights of shareholders present at the meeting, at which shareholders holding in aggregate one-third (1/3) or more of the voting rights of the shareholders entitled to exercise their voting rights shall be present.

29.4 A Director determined in advance out of Representative Directors by the Board of Directors shall, in accordance with a resolution of the Board of Directors adopted for that purpose, convene a General

Meeting of Holders of a Class of Shares. In the event such Director fails or is unable to so convene a General Meeting of Holders of a Class of Shares, one of the other Directors shall act in his place in accordance with the seniority order determined in advance by the Board of Directors.

29.5 No resolution of a General Meeting of Holders of a Class of Shares composed of Bond-Type Class Shareholders of each series is required for the Company to conduct any of the acts provided for in the items of Article 322, Paragraph 1 of the Companies Act, except as otherwise provided by law.

29.6 If the Company performs any of the following acts and it is likely to cause detriment to the Bond-Type Class Shareholders, that act shall not take effect without a resolution of the General Meeting of Holders of a Class of Shares composed of Bond-Type Class Shareholders, in addition to a resolution of the General Meeting of Shareholders or the Board of Directors, unless there are no Bond-Type Class Shareholders who are entitled to vote at that General Meeting of Holders of a Class of Shares:

(1) a merger in which the Company will be the absorbed company or a share exchange or share transfer in which the Company will be the wholly-owned subsidiary company (except for a sole-share transfer conducted by the Company); or

(2) an approval by the Board of Directors of a demand for a cash-out by a Special Controlling Shareholder against the other shareholders of the Company.

(CHAPTER V
DIRECTORS AND BOARD OF DIRECTORS)

Article 30-Article 36 (No change)

(CHAPTER VI
CORPORATE AUDITORS AND BOARD OF

(CHAPTER V
DIRECTORS AND BOARD OF DIRECTORS)

Article 31-Article 37 (Omitted)

(CHAPTER VI

<p style="text-align: center;">CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS)</p> <p>Article 38 (Omitted)</p> <p>Article 39: The provisions of Section 32.1 shall apply <i>mutatis mutandis</i> to the election of Corporate Auditors.</p> <p>Article 40-Article 43 (Omitted)</p> <p style="text-align: center;">(CHAPTER VII ACCOUNTING)</p> <p>Article 44-Article 45 (Omitted)</p> <p>(Prescription Period for Distribution of Retained Earnings)</p> <p>Article 46:</p> <p>46.1 The Company shall be relieved of its obligation to distribute any surplus which remain unclaimed for a period of more than three (3) years from the date when they first become payable.</p> <p>46.2 Distribution of surplus shall carry no interest.</p>	<p style="text-align: center;">CORPORATE AUDITORS)</p> <p>Article 37 (No change)</p> <p>Article 38: The provisions of Section 31.1 shall apply <i>mutatis mutandis</i> to the election of Corporate Auditors.</p> <p>Article 39-Article 42 (No change)</p> <p style="text-align: center;">(CHAPTER VII ACCOUNTING)</p> <p>Article 43-Article 44 (No change)</p> <p>(Prescription Period for Distribution of Retained Earnings)</p> <p>Article 45:</p> <p>45.1 The Company shall be relieved of its obligation to distribute any surplus which remain unclaimed for a period of more than three (3) years from the date when they first become payable.</p> <p>45.2 <u>Except as otherwise provided for in these Articles of Incorporation,</u> distribution of surplus shall carry no interest.</p>
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