

**Notice Concerning Conclusion of Capital Alliance Agreement,
Issuance of Class D Preferred Shares and Stock Acquisition Rights through Third-party Allotment, and
Partial Amendment of Articles of Incorporation**

In the press release dated March 13, 2020 titled "Notice Concerning Conclusion of Basic Agreement Regarding Additional Fund Procurement from Ichigo Trust" (the "Disclosure dated March 13, 2020"), Japan Display Inc. ("JDI") announced that it resolved, at its meeting of the board of directors held on the same day, to enter into a basic agreement regarding the additional fund procurement (the "Agreement") with Ichigo Trust ("Ichigo Trust"). JDI hereby announces that it has resolved, at its meeting of the board of directors held on July 21, 2020 (the "Board of Directors Meeting"), to enter into a capital alliance agreement regarding the additional fund procurement with Ichigo Trust (the "Additional Capital Alliance Agreement").

In addition, JDI also hereby announces that it has resolved at the Board of Directors Meeting to implement: (i) an issuance of Japan Display Inc. class D preferred shares (the "Class D Preferred Shares") by means of third-party allotment to Ichigo Trust (the "Third-party Allotment of Class D Preferred Shares"); and (ii) an issuance of Japan Display Inc. 12th series stock acquisition rights (the "12th Series Stock Acquisition Rights") by means of third-party allotment to Ichigo Trust (the "Third-party Allotment of 12th Series Stock Acquisition Rights"; together with the Third-party Allotment of Class D Preferred Shares, the "Third-party Allotment"), pursuant to the Additional Capital Alliance Agreement.

Furthermore, JDI also hereby announces that it has resolved at the Board of Directors Meeting to partially amend the Articles of Incorporation (the "Amendment of the Articles of Incorporation"). For details about the Amendment of the Articles of Incorporation, JDI plans to submit related proposals for the approval of the shareholders at JDI's annual general meeting of shareholders scheduled to be held on August 26, 2020 (the "General Meeting of Shareholders"), as well as each of the general meetings of class shareholders of common shares (the "Common Shareholders"), class shareholders of Japan Display Inc. class A preferred shares (the "Class A Preferred Shares"), and class shareholders of Japan Display Inc. class B preferred shares (the "Class B Preferred Shares") (collectively, the "General Meetings of Class Shareholders") scheduled to be held on the same day.

The Third-party Allotment will be implemented on the condition that all of the following conditions precedent (the "Conditions Precedent") are satisfied: (i) proposals related to the Third-party Allotment will be approved by means of an extraordinary resolution at the General Meeting of Shareholders; and (ii) a proposal on partial amendment of

the Articles of Incorporation to issue the Class D Preferred Shares and Japan Display Inc. class E preferred shares (the "Class E Preferred Shares") which are the underlying shares of the 12th Series Stock Acquisition Rights will be approved by means of an extraordinary resolution at the General Meeting of Shareholders and the General Meetings of Class Shareholders.

In the Additional Capital Alliance Agreement, JDI has agreed that prior to the Third-party Allotment, it will waive all of Japan Display Inc. 11th series stock acquisition rights (the "11th Series Stock Acquisition Rights") which are the underlying shares of Japan Display Inc. class C preferred shares (the "Class C Preferred Shares") held by Ichigo Trust at the time.

I. Third-party Allotment

[Omitted]

3. Amount, use, and intended timing of expenditure of funds to be raised

① Class D Preferred Shares

(1) Amount of funds to be raised

A	Total amount to be paid in	JPY 5,000 million
B	Estimated issuance expenses	JPY 40 million
C	Estimated net proceeds	JPY 4,960 million

(Note) 1. The estimated issuance expenses primarily consist of financial advisor's fees to Nomura Securities Co., Ltd. (Location: 1-9-1 Nihonbashi, Chuo-ku, Tokyo, Japan; Representative: Toshio Morita), attorney fees, fees for valuation of the Class D Preferred Shares, and other costs (including fees related to: (i) documentation of the extraordinary report, (ii) the bank fees of the bank that handles the payment, (iii) the investigation to verify whether there is any relationship with Antisocial Forces, and (iv) the registration), related to the Third-party Allotment of Class D Preferred Shares.

2. The estimated issuance expenses do not include consumption tax, etc.

(2) Specific use and intended timing of expenditure of funds to be raised

JDI plans to use the estimated net proceeds from the Third-party Allotment of Class D Preferred Shares (JPY 4.96 billion) for the following purpose. Such proceeds will be managed in a bank account until they are appropriated for the use below.

Specific use	Amount (JPY million)	Intended timing of expenditure
Working capital	4,960	August 2020 ~ December 2020

The business environment surrounding JDI, which is affected by the supply chain in China and personal consumption, has worsened due to the spread of the COVID-19 infection throughout the world. In regions other than China, the supply chain has also been affected by governmental restrictions on production activities, and there has been a decrease in customer demand in the smartphone display market, which is JDI's core business, and the automotive display market, which is a growing business. This has resulted in a greater drop in JDI's business results and balance of cash and deposits on hand than anticipated. In addition, a rebound spread of infection has occurred in some regions, and there is still no prospect of the spread of infection settling down globally; thus, it is anticipated that the quantity of orders to be received by JDI will decrease further in the future. In these circumstances, JDI continues to experience a situation whereby the impact on JDI's business and finance cannot be forecast correctly. If the influence of COVID-19 continues for an extended period and this has an adverse effect on the quantity of orders to be received by JDI, negotiations with its business partners, and its business activities, and thereby creates a need for additional funds, then JDI cannot deny the possibility that the balance of cash and deposits on hand may fall below the standard that is considered to be the minimum necessary to maintain its business value. To prepare for such an eventuality, JDI is considering taking cash-flow improvement measures by liquidating its accounts receivable and so on. However, it is anticipated that these measures may not be fully implemented and the necessary funds may not be sufficiently procured. Therefore, JDI has concluded that it is necessary to secure JPY 5 billion of additional working capital in advance through the Third-party Allotment of Class D Preferred Shares as a more stable financing measure.

Thus, JDI plans to allocate JPY 4.96 billion of the estimated net proceeds from the Third-party Allotment of Class D Preferred Shares to additional working capital in order to achieve stable business management.

② 12th Series Stock Acquisition Rights

(1) Amount of funds to be raised

A	Total amount to be paid in	JPY 55,400 million
B	Estimated issuance expenses	JPY 330 million
C	Estimated net proceeds	JPY 55,070 million

(Note) 1. The estimated issuance expenses primarily consist of financial advisor's fees to Nomura Securities Co., Ltd. (Location: 1-9-1 Nihonbashi, Chuo-ku, Tokyo, Japan; Representative: Toshio Morita), attorney fees, fees for valuation of the 12th Series Stock Acquisition Rights, and other costs (including fees related to: (i) documentation of the extraordinary report, (ii) the bank fees of the bank that handles the payment, (iii) the investigation to verify whether there is any relationship

with Antisocial Forces, and (iv) the registration), related to the issuance of the 12th Series Stock Acquisition Rights.

2. The estimated issuance expenses do not include consumption tax, etc.
3. The Additional Capital Alliance Agreement provides that if JDI requests Ichigo Trust to exercise the 12th Series Stock Acquisition Rights presenting reasonable grounds, Ichigo Trust shall respect such request to the maximum extent possible; however, because the 12th Series Stock Acquisition Rights are not stock acquisition rights whose exercise is unconditionally ensured, exercise of the entire amount is not guaranteed. If the 12th Series Stock Acquisition Rights are not exercised within the exercise period or if JDI cancels the 12th Series Stock Acquisition Rights that JDI has acquired, the total amount to be paid in upon exercise of the 12th Series Stock Acquisition Rights will decrease. If the total amount to be paid in upon exercise of the 12th Series Stock Acquisition Rights decreases, JDI will appropriate cash on hand or apply for an extension of borrowing period in light of the status of cash on hand, in connection with the repayment of borrowed funds as stated in (2) below.

(2) Specific use and intended timing of expenditure of funds to be raised

JDI plans to use the estimated net proceeds to be raised through the exercise of the 12th Series Stock Acquisition Rights (JPY 55.07 billion) for the following purpose. Such proceeds will be managed in a bank account until they are appropriated for the use below.

Specific use	Amount (JPY million)	Intended timing of expenditure
Repayment of borrowed funds	55,070	October 2020 ~ June 2024

In the press release dated January 31, 2020 titled "Notice Concerning Issuance of Class A Preferred Shares through Third-party Allotment, (Changes) Borrowing of Funds, and (Changes) Transfer of Shares of Equity Method Affiliate," JDI announced that it would carry out the following: (i) issuing the Class A Preferred Shares by means of third-party allotment to INCJ, Ltd. ("INCJ") (the "Third-party Allotment of Class A Preferred Shares"); (ii) borrowing funds from INCJ (the total amount of which is JPY 50 billion) (the "Senior Loan"); and (iii) transferring all of the shares of JOLED, Inc. held by JDI to INCJ as substitute performance (together with the Senior Loan and the Third-party Allotment of Class A Preferred Shares, the "Refinance"). As announced in the press release dated March 26, 2020 titled "Notice Regarding Completion of Payment Concerning Issuance of Class B Preferred Shares Through Third-Party Allotment, Issuance of Class B preferred Shares and Stock Acquisition Rights, Implementation of Refinance by INCJ, Recording Extraordinary Profit by Transferring Shares of Equity Method Affiliate, and Inauguration of Representative Director", on the same day, the Refinance was completed. As a result of the Refinance, the scheduled repayment and retirement of JDI's existing debts (Note) were completed as scheduled.

(Note) This means each of the following debts: the borrowing under the commitment line agreement that JDI entered into with three banks (the commitment line amount and the total principal amount of which is JPY 107 billion) (the "Commitment Line Agreement"); the short-term loan dated December 25, 2019 (the total principal amount of which is JPY 20 billion) (the "Short-term Loan"); Japan Display Inc. 1st series unsecured subordinated convertible bonds with stock acquisition rights (the outstanding amount of which is JPY 25 billion); the loan under the loan agreement dated April 18, 2019 (the total principal amount of which is JPY 20 billion); and JPY 26.32 billion that is part of the subordinated loan (the total principal amount of which is JPY 30 billion).

Following this, (i) the remaining part (the amount of which is JPY 3.68 billion) of the subordinated loan (the total principal amount of which is JPY 30 billion), (ii) the short-term loan dated August 7, 2019 (the total principal amount of which is JPY 20 billion), (iii) the short-term loan dated September 2, 2019 (the total principal amount of which is JPY 20 billion), and (iv) the Senior Loan (the total amount of which is JPY 50 billion) are the remaining outstanding INCJ loans to JDI. Regarding (ii) the short-term loan dated August 7, 2019 (the total principal amount of which is JPY 20 billion) and (iii) the short-term loan dated September 2, 2019 (the total principal amount of which is JPY 20 billion) as mentioned above, JDI announced that the repayment due dates are the first anniversary of each of the borrowing execution dates. However, on January 31, 2020, JDI received a notice from INCJ stating that if JDI so requests, INCJ is ready to extend the repayment due date of (ii) the short-term loan dated August 7, 2019 for one year, and extend the repayment due date of (iii) the short-term loan dated September 2, 2019 for two years at most.

It is planned that JPY 55.07 billion, which is the amount of the estimated net proceeds to be raised through the exercise of the 12th Series Stock Acquisition Rights, will be appropriated for an early repayment of INCJ loans to JDI, as mentioned above, depending on the time when Ichigo Trust exercises the 12th Series Stock Acquisition Rights.

[Omitted]

7. Major Shareholders and Their Shareholding Ratios After the Third-party Allotment

(1) After the Third-party Allotment

① Common shares

Before the offering (as of June 30, 2020)		After the offering
INCJ, Ltd.	25.29%	Same as left
NICHIA CORPORATION	4.13%	

The Master Trust Bank of Japan, Ltd. (Trust Account)	1.93%	
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.41%	
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1.38%	
Sony Corporation	1.26%	
Haneda Turtle Service Co., Ltd.	1.14%	
Akio Utsumi	1.11%	
J.P. MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.)	1.10%	
JAPAN SECURITIES FINANCE CO., LTD.	0.71%	

- (Note) 1 The table above is based on the shareholders register as of June 30, 2020.
- 2 The shareholding ratios are rounded off to the second decimal place.
- 3 The shareholding ratios are calculated by dividing the number of shares to be owned by the number of issued and outstanding common shares as of June 30, 2020 (846,165,800 shares).

② Class A Preferred Shares

Before the offering (as of June 30, 2020)	After the offering
INCJ, Ltd. 100%	Same as left

③ Class B Preferred Shares

Before the offering (as of June 30, 2020)	After the offering
Ichigo Trust 100%	Same as left

④ Class D Preferred Shares

Before the offering (as of June 30, 2020)	After the offering
N/A	Ichigo Trust 100%

- (2) After the issuance of the Class D Preferred Shares, and the Class E Preferred Shares resulting from the exercise of the 12th Series Stock Acquisition Rights, and after all of the rights to request that JDI acquire the Class B Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares in exchange for common shares of JDI attached to the Class B Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares are exercised

① Common shares

Before the offering (as of June 30, 2020)		After the offering (including shares to be delivered through an exercise of put options attached to the Class B Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares)	
INCJ, Ltd.	25.29%	Ichigo Trust	80.15%
NICHIA CORPORATION	4.13%	INCJ, Ltd.	5.02%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1.93%	NICHIA CORPORATION	0.82%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.41%	The Master Trust Bank of Japan, Ltd. (Trust Account)	0.38%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1.38%	Japan Trustee Services Bank, Ltd. (Trust Account 5)	0.28%
Sony Corporation	1.26%	Japan Trustee Services Bank, Ltd. (Trust Account 9)	0.27%
Haneda Turtle Service Co., Ltd.	1.14%	Sony Corporation	0.25%
Akio Utsumi	1.11%	Haneda Turtle Service Co., Ltd.	0.23%
J.P. MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.)	1.10%	Akio Utsumi	0.22%
JAPAN SECURITIES FINANCE CO., LTD.	0.71%	J.P. MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.)	0.22%

- (Note) 1 The table above is based on the shareholders register as of June 30, 2020.
- 2 The shareholding ratios are rounded off to the second decimal place.
- 3 The shareholding ratios after the offering are calculated by dividing the number of shares to be owned after the offering by the number of shares (4,262,495,440 shares) that adds the number of common shares of JDI to be acquired by Ichigo Trust where the right to request that JDI acquire all of the Class B Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares to be issued by exercising the 12th Series Stock Acquisition Rights in exchange for common shares of JDI is exercised (3,416,329,640 shares) to the total number of issued and outstanding common shares of JDI as of June 30, 2020 (846,165,800 shares).

② Class A Preferred Shares

Before the offering (as of June 30, 2020)	After the offering (including shares to be delivered through an exercise of put options attached to the Class B Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares)
INCJ, Ltd. 100%	Same as left

③ Class B Preferred Shares

Before the offering (as of June 30, 2020)	After the offering (including shares to be delivered through an exercise of put options attached to the Class B Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares)
Ichigo Trust 100%	N/A

- (3) After the issuance of the Class D Preferred Shares, and the Class E Preferred Shares resulting from the exercise of the 12th Series Stock Acquisition Rights, and after the right to request that JDI acquire all of the Class A Preferred Shares, the Class B Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares in exchange for its common shares is exercised

① Common shares

Before the offering (as of June 30, 2020)	After the offering (including shares to be delivered through an exercise of put options attached to the Class A Preferred Shares, the Class B Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares)
INCJ, Ltd. 25.29%	Ichigo Trust 72.44%
NICHIA CORPORATION 4.13%	INCJ, Ltd. 14.15%
The Master Trust Bank of Japan, Ltd. (Trust Account) 1.93%	NICHIA CORPORATION 0.74%
Japan Trustee Services Bank, Ltd. (Trust Account 5) 1.41%	The Master Trust Bank of Japan, Ltd. (Trust Account) 0.35%
Japan Trustee Services Bank, Ltd. (Trust Account 9) 1.38%	Japan Trustee Services Bank, Ltd. (Trust Account 5) 0.25%
Sony Corporation 1.26%	Japan Trustee Services Bank, Ltd. (Trust Account 9) 0.25%
Haneda Turtle Service Co., Ltd. 1.14%	Sony Corporation 0.23%
Akio Utsumi 1.11%	Haneda Turtle Service Co., Ltd. 0.20%

J.P. MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.)	1.10%	Akio Utsumi	0.20%
JAPAN SECURITIES FINANCE CO., LTD.	0.71%	J.P. MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.)	0.20%

- (Note) 1 The table above is based on the shareholders register as of June 30, 2020.
- 2 The shareholding ratios are rounded off to the second decimal place.
- 3 The shareholding ratios after the offering are calculated by dividing the number of shares to be owned after the offering by the number of shares (4,715,828,773 shares) that adds (i) the largest number of common shares of JDI to be acquired by INCJ where the right to request that JDI acquire all of the Class A Preferred Shares to be issued in exchange for common shares of JDI is exercised (453,333,333 shares) and (ii) the number of common shares of JDI to be acquired by Ichigo Trust where the right to request that JDI acquire all of the Class B Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares to be issued by exercising the 12th Series Stock Acquisition Rights in exchange for common shares of JDI is exercised (3,416,329,640 shares) to the total number of issued and outstanding common shares of JDI as of June 30, 2020 (846,165,800 shares).

② Class A Preferred Shares

Before the offering (as of June 30, 2020)	After the offering (including shares to be delivered through an exercise of put options attached to the Class A Preferred Shares, the Class B Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares)	
INCJ, Ltd.	100%	N/A

③ Class B Preferred Shares

Before the offering (as of June 30, 2020)	After the offering (including shares to be delivered through an exercise of put options attached to the Class A Preferred Shares, the Class B Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares)	
Ichigo Trust	100%	N/A

[Omitted]

10. Matters Regarding Transactions With a Controlling Shareholder

- (1) Pertinence to a transaction with a controlling shareholder, and compliance with guidelines for measures to

protect minority shareholders

Ichigo Trust, the expected allottee under the Third-party Allotment, does not hold majority voting rights in JDI as of June 30, 2020 and it therefore does not fall within the category of a "controlling shareholder" of JDI (Rule 2, (42)-2 of the Securities Listing Regulations, and Rule 3-2 of the Enforcement Rules for Securities Listing Regulations, respectively prescribed by Tokyo Stock Exchange, Inc.). However, Ichigo Trust holds 672,000,000 Class B Preferred Shares, representing 44.26% of the voting rights attached to the issued and outstanding shares of JDI. In addition, if the put options held by Ichigo Trust are exercised (i.e., put options in exchange for common shares of JDI attached to the Class B Preferred Shares, and the Class C Preferred Shares which are the underlying shares of the 11th Series Stock Acquisition Rights), Ichigo Trust will have a majority of the voting rights in JDI that are held by all of its shareholders. As a result, Ichigo Trust will be JDI's parent company and fall under the category of controlling shareholder. Furthermore, Mr. Scott Callon, Chief Executive Officer of Ichigo Asset Management, Ltd. (an investment advisor to Ichigo Asset Management International, Pte. Ltd. that has investment management authority granted by Ichigo Trust under a discretionary investment contract with Ichigo Trust), concurrently serves as the Chairman and Representative Director of JDI. Given these circumstances, JDI has executed procedures for the Third-party Allotment equivalent to those under Rule 441-2 of the Securities Listing Regulations prescribed by Tokyo Stock Exchange, Inc.

As JDI has no controlling shareholder, it does not provide a "guidelines for measures to protect minority shareholders in conducting transactions with a controlling shareholder" in its corporate governance report.

(2) Matters regarding measures to ensure fairness and to avoid conflicts of interest

JDI has appointed Nomura Securities Co., Ltd., a financial advisor independent from JDI and Ichigo Trust, and receives advice from a financial perspective, in order to eliminate arbitrariness in its decision-making process regarding the Third-party Allotment, and to secure fairness, transparency and objectiveness therein. JDI also receives legal advice from Nishimura & Asahi, a legal advisor independent from JDI and Ichigo Trust, on JDI's decision-making process and methods, and other considerations in the Third-party Allotment.

In deciding the conditions to issue the Class D Preferred Shares and the 12th Series Stock Acquisition Rights, JDI also engaged Akasaka International Tax and Co., a third-party calculation agent independent from JDI and Ichigo Trust, the expected allottee, and received a class share valuation report for the Class D Preferred Shares (the "Class D Preferred Shares Valuation Report") and a stock acquisition rights valuation report for the 12th Series Stock Acquisition Rights (the "12th Series Stock Acquisition Rights Valuation Report") on July 21, 2020. JDI also obtained a fairness opinion from Akasaka International Tax and Co. on July 21, 2020, that the total amount to be paid in for the Class D Preferred Shares and the 12th Series Stock Acquisition Rights is reasonable for JDI shareholders excluding JDI and Ichigo Trust from a financial

perspective.

Further, as the Amendment of the Articles of Incorporation requires approval by a special resolution at a general meeting of class shareholders where only common shareholders are entitled to attend, the Third-party Allotment will be implemented subject to the affirmative votes of shareholders representing at least two-thirds of the voting rights attached to the shares held by shareholders attending the general meeting of class shareholders other than Ichigo Trust (i.e., at least the number equivalent to a so-called "majority of minority").

In addition, JDI believes that it has conducted a sufficient market check on whether there are alternative investors, as stated below. Ichigo Trust holds 672,000,000 Class B Preferred Shares representing 44.26% of the voting rights attached to the issued and outstanding shares of JDI and this requires that in JDI raising capital funds from investors other than Ichigo Trust, Ichigo Trust approve investments from those third parties, except for transactions such as equity finance that do not fall under a favorable issuance. Therefore, it is considered relatively unlikely that a bona-fide proposal to contribute capital funds will be made by investors other than Ichigo Trust, as with the case of the acquisition of a controlled company by its controlling shareholder. Further, JDI has not agreed with Ichigo Trust on any terms under the Agreement that restrict JDI from contacting investors other than Ichigo Trust. JDI also announced, before implementing the Third-party Allotment, the fact that it was considering the Third-party Allotment, and an overview of the conditions of issuance thereunder, in the Disclosure dated March 13, 2020. Then, in the "Notice Regarding Receipt of the Investigation Report from the Third-Party Committee" dated April 13, 2020, JDI released the results of an investigation by the third-party committee that it had commissioned to investigate whether there are facts related to the possibility of improper accounting treatment in its previous fiscal year financial statements. Although a reasonable period from that date was procured during which investors other than Ichigo Trust were permitted to make proposals to contribute capital funds, no investors other than Ichigo Trust have expressed their intention to make alternative investments. Accordingly, JDI considers that it has conducted a sufficient market check on whether there are alternative investors.

As stated above, JDI has carefully discussed and considered the procedures and conditions of the Third-party Allotment in order to enhance JDI's corporate value and maximize its shareholders' interest. In doing so, JDI took into account the advice of Nomura Securities Co., Ltd. from a financial perspective, and legal advice of Nishimura & Asahi, as well as the Class D Preferred Shares Valuation Report, the 12th Series Stock Acquisition Rights Valuation Report, a fairness opinion, and other relevant factors. As a result, the Board of Directors Meeting attended by all directors excluding Mr. Scott Callon, passed a resolution with unanimous affirmative votes of all directors in attendance, to execute the Additional Capital Alliance Agreement and implement the Third-party Allotment.

Mr. Scott Callon, Chairman and Representative Director of JDI, did not participate in the deliberations or

resolution for the Third-party Allotment as he may have been a special stakeholder, due to his concurrently serving as the Chief Executive Officer of Ichigo Asset Management, Ltd. (an investment advisor to Ichigo Asset Management International, Pte. Ltd. that has investment management authority granted by Ichigo Trust under a discretionary investment contract with Ichigo Trust, being equivalent to JDI's controlling shareholder).

- (3) Overview of opinions regarding whether a transaction is not disadvantageous to minority shareholders acquired from persons who have no interest in the controlling shareholder

JDI selected Mr. Ryosuke Kuwada, Director of JDI, and Messrs. Youichi Etou and Toshiaki Kawashima, Company Auditors of JDI, as persons who do not have an interest in Ichigo Trust that is equivalent to JDI's controlling shareholder, heard their opinions regarding the Third-party Allotment, and received their opinions dated July 21, 2020 regarding whether the Third-party Allotment is not disadvantageous to minority shareholders.

[Omitted]

II. Partial Amendment of Articles of Incorporation

1. Reasons for the Amendment of the Articles of Incorporation

JDI will newly establish provisions concerning Class D Preferred Shares and Class E Preferred Shares in connection with the Third-party Allotment, subject to the General Meeting of Shareholders and the General Meetings of Class Shareholders approving proposals related to the Third-party Allotment, and to partial amendment of the Articles of Incorporation to issue Class D Preferred Shares and Class E Preferred Shares, in order for JDI to issue new shares, i.e., Class D Preferred Shares and Class E Preferred Shares.

2. Details of the Amendment of the Articles of Incorporation

Please refer to Schedule 3 "Draft Amended Articles of Incorporation" for details about the Amendment of the Articles of Incorporation.

3. Schedule

(1) Date of the resolution of the board of directors meeting	July 21, 2020
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(2)	Date of the General Meeting of Shareholders and the General Meetings of Class Shareholders	August 26, 2020 (scheduled)
(3)	Effective date of the Amendment of the Articles of Incorporation	August 26, 2020 (scheduled)

End.

Schedule 1

Conditions of the Class D Preferred Shares
of Japan Display Inc.

1. Class of shares to be offered

Class D preferred shares of Japan Display Inc. (the "Class D Preferred Shares")

2. Number of shares to be offered

500 shares

3. Amount to be paid

JPY 10,000,000 per share

4. Total proceeds

JPY 5,000,000,000

5. Amount of capital to be increased

JPY 2,500,000,000 (JPY 5,000,000 per share)

6. Amount of capital reserve to be increased

JPY 2,500,000,000 (JPY 5,000,000 per share)

7. Payment date

August 28, 2020

8. Allottee / Number of shares

All Class D Preferred Shares will be allotted to Ichigo Trust through third-party allotment.

【Details of the Class D Preferred Shares】

9. Dividend of surplus

(1) Dividend of surplus

JDI will pay dividends per Class D Preferred Share calculated by multiplying dividends per common share by the Class D Conversion Rate (defined below) on the dividend payment date to shareholders or pledgees of the Class D Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date (if a record date is set, on such record date; hereinafter the same) (such shareholders, the "Class D Preferred Shareholders", and such pledgees, the "Registered Pledgees of Class D Preferred Shares") pari passu with shareholders and pledgees of common shares who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Common Shareholders", and such pledgees, the "Registered Pledgees of Common Shares"); shareholders and pledgees of Japan Display Inc. class A preferred shares (the "Class A Preferred Shares") who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class A Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class A Preferred Shares"); shareholders and pledgees of Japan Display Inc. class B preferred shares (the "Class B Preferred Shares") who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class B Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class B Preferred Shares"); shareholders and pledgees of Japan Display Inc. class C preferred shares (the "Class C Preferred Shares") who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class C Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class C Preferred Shares"); and shareholders and pledgees of Japan Display Inc. class E preferred shares (the "Class E Preferred Shares") who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class E Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class E Preferred Shares"). If a fraction that is less than JPY 1 occurs as a result of multiplying the dividend amount per Class D Preferred Share by the number of Class D Preferred Shares held by the Class D Preferred Shareholders and the Registered Pledgees of Class D Preferred Shares, such fraction will be omitted.

"Class D Conversion Rate" means the number (calculated to the third decimal place, and the digit in the third decimal place will be omitted) obtained by dividing the Class D Investment Amount (defined in 13.(2) below; hereinafter the same) at that time by the Class D Conversion Price (defined in 15.(3) below; hereinafter the same).

(2) Class D Investment Amount

The Class D Investment Amount is as follows:

- (a) The initial amount will be JPY 10,000,000.
- (b) If JDI implements a share split, consolidation of shares, or allotment of shares without contribution (collectively, the "Share Split, etc."), the Class D Investment Amount will be adjusted in accordance with the formula below. If a fraction that is less than JPY 1 occurs as a result of the adjustment, JDI will calculate such fraction to the third decimal place, and omit the digit in the third decimal place. In the case of an allotment of shares without contribution, "Number of issued and outstanding Class D Preferred Shares before the Share Split, etc." and "Number of issued and outstanding Class D Preferred Shares after the Share Split, etc." in the following formula are to be read as "Number of issued and outstanding Class D Preferred Shares before the allotment of shares without contribution (excluding, however, the Class D Preferred Shares held by JDI at that time)" and "Number of issued and outstanding Class D Preferred Shares after the allotment of shares without contribution (excluding, however, the Class D Preferred Shares held by JDI at that time)," respectively.

$$\begin{array}{l} \text{Class D} \\ \text{Investment} \\ \text{Amount after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Class D} \\ \text{Investment} \\ \text{Amount before} \\ \text{adjustment} \end{array} \times \frac{\begin{array}{l} \text{Number of issued and outstanding Class D Preferred} \\ \text{Shares before the Share Split, etc.} \end{array}}{\begin{array}{l} \text{Number of issued and outstanding Class D Preferred} \\ \text{Shares after the Share Split, etc.} \end{array}}$$

The Class D Investment Amount after adjustment will be applied, in the case of a share split, on and after the day following the record date of such share split, in the case of a consolidation of shares or allotment of shares without contribution, on and after the day following the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).

- (c) If other events similar to (b) above occur, the Class D Investment Amount will be properly adjusted by resolutions of JDI's board of directors meeting.

10. Distribution of residual assets

(1) Distribution of residual assets

When JDI distributes its residual assets at the dissolution of JDI, JDI will pay amounts per Class D Preferred Share equivalent to the Class D Investment Amount to the Class D Preferred Shareholders and Registered Pledges of Class D Preferred Shares before the Common Shareholders and Registered Pledges of Common Shares; and pari passu with the Class A Preferred Shareholders and the Registered Pledges of the Class A Preferred Shares, the Class B Preferred Shareholders and the Registered Pledges of the Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of Class C

Preferred Shares as well as the Class E Preferred Shareholders and the Registered Pledgees of the Class E Preferred Shares. If a fraction that is less than JPY 1 occurs as a result of multiplying the distribution amount of residual assets per Class D Preferred Share by the number of Class D Preferred Shares held by the Class D Preferred Shareholders and the Registered Pledgees of Class D Preferred Shares, such fraction will be omitted. If the distribution amount of residual assets falls short of the total amount necessary to distribute residual assets of a certain order of priority, residual assets should be distributed on a pro rata basis in accordance with the amount necessary to distribute residual assets of that order of priority.

(2) Participation clause

If residual assets remain even after the distribution of residual assets to the Class D Preferred Shareholders and Registered Pledgees of Class D Preferred Shares pursuant to (1) above, JDI will distribute residual assets per Class D Preferred Share calculated by multiplying the amount of residual assets per common share by the Class D Conversion Rate at the time of the distribution of residual assets to the Class D Preferred Shareholders and Registered Pledgees of Class D Preferred Shares *pari passu* with the Common Shareholders and Registered Pledgees of Common Shareholders; the Class A Preferred Shareholders and the Registered Pledgees of Class A Preferred Shares; the Class B Preferred Shareholders and the Registered Pledgees of Class B Preferred Shares; the Class C Preferred Shareholders and the Registered Pledgees of Class C Preferred Shares; and the Class E Preferred Shareholders and the Registered Pledgees of Class E Preferred Shares.

11. Transfer restriction

Acquisition of Class D Preferred Shares through their transfer requires the approval of JDI's board of directors meeting.

12. Voting rights

Unless otherwise provided for by law, the Class D Preferred Shareholders do not have voting rights at general meetings of shareholders.

13. Voting rights at the general meeting of class shareholders

Unless otherwise provided for by law, no resolution of the general meeting of class shareholders comprised of Class D Preferred Shareholders is required in order for JDI to engage in any of the acts listed under each item of Article 322, paragraph (1) of the Companies Act.

14. Cash-consideration call option (mandatory redemption)

Notwithstanding the intent of the Class D Preferred Shareholders and Registered Pledges of Class D Preferred Shares, in exchange for delivering the Class D Investment Amount to the Class D Preferred Shareholders and Registered Pledges of Class D Preferred Shares, within the limit of the distributable amount under Article 461, paragraph (2) of the Companies Act as of the date separately determined by JDI's board of directors meeting (the "Mandatory Redemption Date"), JDI can acquire the Class D Preferred Shares in whole or in part anytime, within the extent permitted by law, if the Mandatory Redemption Date has arrived. If there is more than one Class D Preferred Shareholder at the time of acquiring part of the Class D Preferred Shares, the Class D Preferred Shares to be acquired by JDI will be determined by its board of directors meeting on a pro rata basis.

15. Common share-consideration put option (right to claim conversion)

(1) Details of the conversion claim

On or after the first anniversary of the payment date, within the extent permitted by law, the Class D Preferred Shareholders and Registered Pledges of Class D Preferred Shares can claim that JDI deliver common shares per Class D Preferred Share the number of which is calculated based on the formula stated in c. below, in exchange for JDI acquiring the Class D Preferred Shares (the "Conversion Claim").

(2) Formula for number of common shares to be delivered based on the conversion claim

The number of common shares to be delivered in exchange for acquiring one Class D Preferred Share will be calculated based on the following formula:

(Formula)

Number of common shares to be delivered in exchange for acquiring one Class D Preferred Share
= Class D Investment Amount ÷ Class D Conversion Price

If a fraction that is less than 1 share occurs at the time of calculating the number of common shares to be delivered to the Class D Preferred Shareholders and Registered Pledges of Class D Preferred Shares, such fraction will be omitted and treated in accordance with Article 167, paragraph (3) of the Companies Act.

(3) Class D Conversion Price

The Class D Conversion Price means an amount stated below.

(a) The initial price shall be JPY 50.

(b) Notwithstanding (a) above, if any of the following (A) through (E) occurs at JDI, JDI will adjust the Class D Conversion Price in accordance with each of (i) through (v). If a fraction that is less than JPY 1 occurs as a result of the adjustment, JDI will calculate such fraction to the third decimal place, and omit digits after the second decimal place.

(A) If JDI implements the Share Split, etc. of common shares, JDI will adjust the Class D Conversion Price based on the formula below. In the case of an allotment of shares without contribution, "Number of issued and outstanding common shares before the Share Split, etc." and "Number of issued and outstanding common shares after the Share Split, etc." in the following formula are to be read as "Number of issued and outstanding common shares before the allotment of shares without contribution (excluding, however, common shares held by JDI at that time)" and "Number of issued and outstanding common shares after the allotment of shares without contribution (excluding, however, common shares held by JDI at that time)," respectively.

$$\text{Class D Conversion Price after adjustment} = \frac{\text{Class D Conversion Price before adjustment} \times \text{Number of issued and outstanding common shares after the Share Split, etc.}}{\text{Number of issued and outstanding common shares before the Share Split, etc.}}$$

The Class D Conversion Price after adjustment will be applied, in the case of a share split, on and after the day following the record date of such share split, in the case of a consolidation of shares or allotment of shares without contribution, on and after the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).

(B) If JDI issues its common shares (including dispositions of treasury shares; hereinafter the same in this item (B)) the price of which is less than the Class D Conversion Price before the adjustment (excluding, however, the cases where (i) JDI implements an allotment of shares without contribution, (ii) JDI issues its common shares by exercising or converting the Potential Shares (which means shares with put options, shares subject to call, stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter the same in this paragraph), and other securities or rights with status that makes it possible to have them converted into common shares based on the claim by holders of such securities or rights or JDI, or subject to conditions that certain events occur; hereinafter the same), (iii) JDI delivers its common shares as a result of a merger, share exchange, or company split, or (iv) JDI sells its treasury shares pursuant to Article 194 of the Companies Act), JDI will adjust the Class D Conversion Price based on the formula below.

In these Conditions of the Class D Preferred Shares of Japan Display Inc., the "Total Number of Shares" means the number obtained by adding (i) the number of common shares underlying the issued and outstanding Potential Shares (excluding those held by JDI) as of the day before the date on which the Class D Conversion Price after the adjustment is applied to (ii) the number of issued and outstanding common shares as of the same day (excluding those held by JDI).

Also, in the case of a disposition of treasury shares, "Issue price" and "Number of shares to be newly issued" in the formula stated in this item (B) are to be read as "Disposition price" and "Number of treasury shares to be disposed," respectively.

$$\text{Class D Conversion Price after adjustment} = \frac{\text{Class D Conversion Price before adjustment} \times \text{Total Number of Shares} + \frac{\text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Class D Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}$$

The Class D Conversion Price after adjustment will be applied on and after the day following the payment date (if the payment period is set, the end of such period), if a record date for the allotment to shareholders is set, on and after the day following such record date.

- (C) If JDI issues shares that can be converted into its common shares (including the case of an allotment of shares without contribution), and the price determined by its board of directors meeting as a price of consideration per common share to be delivered upon the conversion of such shares is less than the Class D Conversion Price before adjustment, JDI will adjust the Class D Conversion Price based on the formula below.

However, "Number of shares to be newly issued" in the formula stated in this item (C) means the number of common shares to be delivered if all the shares to be issued are converted into common shares on the date on which the adjustment under this item (C) is applied.

$$\text{Class D Conversion Price after adjustment} = \frac{\text{Class D Conversion Price before adjustment} \times \text{Total Number of Shares} + \frac{\text{Number of shares to be newly issued} \times \text{Price of consideration per share}}{\text{Class D Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}$$

$$\begin{aligned} & \text{Total Number of Shares} \\ & + \text{Number of shares to be newly issued} \end{aligned}$$

The Class D Conversion Price after adjustment will be applied on and after the day following the payment date (if the payment period is set, the end of such period), in the case of an allotment of shares without contribution, on and after the effective date of such allotment of shares without contribution (if a record date for such allotment of shares without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class D Conversion Price after adjustment will be applied on and after the day following such day of allotment to shareholders.

- (D) If JDI issues stock acquisition rights for which its common shares are the underlying shares (including the case of an allotment of stock acquisition rights without contribution), and the total amount of the payment price of stock acquisition rights per common share and the price per common share of properties to be invested at the time of exercising such stock acquisition rights (the "Price of Consideration per Share" in this item (D)) is less than the Class D Conversion Price, JDI will adjust the Class D Conversion Price based on the formula below.

However, "Number of shares to be newly issued" in the formula stated in this item (D) means the number of common shares to be delivered if all the stock acquisition rights are exercised or converted into common shares on the date on which the adjustment under this item (D) is applied.

$$\begin{array}{r} \text{Class D Conversion Price after adjustment} = \text{Class D Conversion Price before adjustment} \times \frac{\begin{array}{l} \text{Total Number of Shares} \\ + \text{Number of shares to be newly issued} \end{array}}{\begin{array}{l} \text{Number of Shares} \\ + \frac{\text{Number of shares to be newly issued} \times \text{Price of consideration per share}}{\text{Class D Conversion Price before adjustment}} \end{array}} \end{array}$$

The Class D Conversion Price after adjustment will be applied on and after the day following the day of the allotment, in the case of an allotment of stock acquisition rights without contribution, on and after the effective date of such allotment of stock acquisition rights without contribution (if a record date for such allotment of stock acquisition rights without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class D Conversion Price after adjustment will be applied on and after the day following such day of allotment to shareholders.

(E) If any of (a) a merger in which JDI becomes a surviving company or a parent company of a surviving company, (b) a share exchange in which JDI becomes a wholly-owning parent company or a parent company of a wholly-owning parent company, or (c) a company split in which JDI becomes a succeeding company or a parent company of a succeeding company is implemented, and value per share of JDI to be allotted to shareholders of a consolidated company through a merger or per share of JDI to be allotted to shareholders of a wholly-owned subsidiary through a share exchange, or per share of JDI to be allotted to a split company or shareholders of a split company (the "Allotted Shares") (such value is reasonably determined by JDI's board of directors meeting. If such Allotted Shares can be converted into its common shares, such value will be a converted amount per common share; hereinafter the same) is less than the Class D Conversion Price before adjustment, JDI will adjust the Class D Conversion Price based on the following formula.

However, if such Allotted Shares can be converted into JDI's common shares, the "Number of Allotted Shares" in the formula stated in this item (E) should be the number of common shares underlying such shares.

$$\begin{array}{r}
 \text{Class D Conversion Price after adjustment} = \frac{\text{Class D Conversion Price before adjustment} \times \text{Total Number of Shares} + \text{Number of Allotted Shares} \times \text{Value per share}}{\text{Total Number of Shares} + \text{Number of Allotted Shares}} + \text{Class D Conversion Price before adjustment}
 \end{array}$$

The Class D Conversion Price after adjustment will be applied on and after the effective date of such merger, share exchange, or company split.

16. Consolidation of shares or share split

- (1) If JDI implements a share split or consolidation of shares, JDI will also implement such share split or consolidation of shares with respect to common shares, the Class A Preferred Shares, the Class B Preferred Shares, the Class C Preferred Shares, the Class D Preferred Shares and the Class E Preferred Shares, at the same time and proportion for each class.
- (2) If JDI grants to shareholders entitlement to the allotment of offered shares, JDI will grant to the Common Shareholders entitlement to the allotment of common shares, to the Class A Preferred Shareholders entitlement to the allotment of the Class A Preferred Shares, to the Class B Preferred Shareholders

entitlement to the allotment of the Class B Preferred Shares, to the Class C Preferred Shareholders entitlement to the allotment of the Class C Preferred Shares, to the Class D Preferred Shareholders entitlement to the allotment of the Class D Preferred Shares, and to the Class E Preferred Shareholders entitlement to the allotment of the Class E Preferred Shares, at the same time and proportion, respectively.

- (3) If JDI implements an allotment of shares without contribution, JDI will allot common shares to the Common Shareholders without contribution, the Class A Preferred Shares to the Class A Preferred Shareholders without contribution, the Class B Preferred Shares to the Class B Preferred Shareholders without contribution, the Class C Preferred Shares to the Class C Preferred Shareholders without contribution, the Class D Preferred Shares to the Class D Preferred Shareholders without contribution, and the Class E Preferred Shares to the Class E Preferred Shareholders without contribution, at the same time and proportion, respectively.
- (4) If JDI grants to shareholders entitlement to the allotment of offered stock acquisition rights, JDI will grant to the Common Shareholders entitlement to the allotment of stock acquisition rights for which common shares are the underlying shares, to the Class A Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class A Preferred Shares are the underlying shares, to the Class B Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class B Preferred Shares are the underlying shares, to the Class C Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class C Preferred Shares are the underlying shares, to the Class D Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class D Preferred Shares are the underlying shares, and to the Class E Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class E Preferred Shares are the underlying shares, at the same time and proportion (including making the ratio of the number of shares underlying stock acquisition rights substantially the same; hereinafter the same in this paragraph), respectively, under the conditions including substantially fair payment amount, property value to be invested at the time of exercising stock acquisition rights.
- (5) If JDI implements allotment of stock acquisition rights without contribution, JDI will allot stock acquisition rights for which common shares are the underlying shares to the Common Shareholders, stock acquisition rights for which the Class A Preferred Shares are the underlying shares to the Class A Preferred Shareholders, stock acquisition rights for which the Class B Preferred Shares are the underlying shares to the Class B Preferred Shareholders, stock acquisition rights for which the Class C Preferred Shares are the underlying shares to the Class C Preferred Shareholders, stock acquisition rights for which the Class D Preferred Shares are the underlying shares to the Class D Preferred Shareholders, and stock acquisition rights for which the Class E Preferred Shares are the underlying shares to the Class E Preferred Shareholders, at the same time and proportion, respectively.

Schedule 2

Conditions of the 12th Series Stock Acquisition Rights
Japan Display Inc.

1. Name of the Stock Acquisition Rights

Japan Display Inc. 12th Series Stock Acquisition Rights (the "Stock Acquisition Rights")

2. Total number of the Stock Acquisition Rights to be issued

20

3. Total proceeds

JPY 0 (no money is required to be paid in exchange for the Stock Acquisition Rights)

4. Allotment date and payment date

August 28, 2020

5. Offering method

All Stock Acquisition Rights will be allotted to Ichigo Trust through third-party allotment.

6. Class and number of shares underlying the Stock Acquisition Rights

The class of shares underlying the Stock Acquisition Rights shall be Japan Display, Inc. class E preferred Shares (the "Class E Preferred Shares"), and the number of Class E Preferred Shares underlying the Stock Acquisition Rights shall be 5,540 shares (the number of shares underlying each Stock Acquisition Right (the "Number of Granted Shares") shall be 277 shares).

The Number of Granted Shares shall be adjusted by the following calculation formula if JDI splits (including allotment of the Class E Preferred Shares without contribution) or consolidates the Class E Preferred Shares after the resolution date. However, only the Number of Granted Shares covered by the Stock Acquisition Rights not yet exercised at that time shall be so adjusted; any fraction less than one share resulting from the adjustment shall be omitted.

$$\begin{array}{l} \text{Number of Granted} \\ \text{Shares after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Number of Granted} \\ \text{Shares before} \\ \text{adjustment} \end{array} \times \text{Share split/consolidation ratio}$$

In addition to the above, if JDI implements a capital decrease, merger, company split, or share exchange, or any other unavoidable event requiring adjustment of the Number of Granted Shares occurs after the resolution date, JDI may adjust the Number of Granted Shares within a reasonable extent after taking into consideration the terms for such capital decrease, merger, company split, or share exchange.

The details of shares underlying the Stock Acquisition Rights are as follows.

- (i) Dividend of surplus
 - a. Dividend of surplus

JDI will pay dividends per Class E Preferred Share calculated by multiplying dividends per common share by the Class E Conversion Rate (defined below) on the dividend payment date to shareholders and pledgees of the Class E Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date (if a record date is set, on such record date; hereinafter the same) (such shareholders, the "Class E Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class E Preferred Shares") pari passu with the shareholders and pledgees of common shares who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Common Shareholders," and such pledgees, the "Registered Pledgees of Common Shares"); shareholders and pledgees of Japan Display Inc. class A preferred shares (the "Class A Preferred Shares") who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class A Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class A Preferred Shares"); shareholders and pledgees of Japan Display Inc. class B preferred shares (the "Class B Preferred Shares") who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class B Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class B Preferred Shares"); shareholders and pledgees of Japan Display Inc. class C preferred shares (the "Class C Preferred Shares") who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class C Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class C Preferred Shares"); and shareholders and pledgees of Japan Display Inc. class D preferred shares (the "Class D Preferred Shares") who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class D Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class D Preferred Shares"). If a fraction that is less than JPY 1 occurs as a

result of multiplying the dividend amount per Class E Preferred Share by the number of Class E Preferred Shares held by the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares, such fraction will be omitted.

"Class E Conversion Rate" means the number (calculated to the third decimal place, and the digit in the third decimal place will be omitted) obtained by dividing the Class E Investment Amount (defined in b. below; hereinafter the same) at that time by the Class E Conversion Price (defined in (vii) c. below; hereinafter the same).

b. Class E Investment Amount

The Class E Investment Amount is as follows:

- (a) The initial amount will be JPY 10,000,000.
- (b) If JDI implements a share split, consolidation of shares, or allotment of shares without contribution (collectively, the "Share Split, etc."), the Class E Investment Amount will be adjusted in accordance with the formula below. If a fraction that is less than JPY 1 occurs as a result of the adjustment, JDI will calculate such fraction to the third decimal place, and omit the digit in the third decimal place. In the case of an allotment of shares without contribution, "Number of issued and outstanding Class E Preferred Shares before the Share Split, etc." and "Number of issued and outstanding Class E Preferred Shares after the Share Split, etc." in the following formula are to be read as "Number of issued and outstanding Class E Preferred Shares before the allotment of shares without contribution (excluding, however, the Class E Preferred Shares held by JDI at that time)" and "Number of issued and outstanding Class E Preferred Shares after the allotment of shares without contribution (excluding, however, the Class E Preferred Shares held by JDI at that time)," respectively.

$$\begin{array}{rcl}
 \text{Class E} & & \text{Number of issued and outstanding Class E} \\
 \text{Investment} & & \text{Preferred Shares before the Share Split, etc.} \\
 \text{Amount after} & = & \frac{\text{Class E Investment before adjustment} \times \text{Number of issued and outstanding Class E Preferred Shares after the Share Split, etc.}}{\text{Number of issued and outstanding Class E Preferred Shares before the Share Split, etc.}} \\
 \text{adjustment} & &
 \end{array}$$

The Class E Investment Amount after adjustment will be applied, in the case of a share split, on and after the day following the record date of such share split, in the case of a consolidation of shares or allotment of shares without contribution, on and after the day following the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).

(c) If other events similar to (b) above occur, the Class E Investment Amount will be properly adjusted by resolutions of JDI's board of directors meeting.

(ii) Distribution of residual assets

a. Distribution of residual assets

When JDI distributes its residual assets at the dissolution of JDI, JDI will pay amounts per Class E Preferred Share equivalent to the Class E Investment Amount to the Class E Preferred Shareholders and Registered Pledges of Class E Preferred Shares before the Common Shareholders and Registered Pledges of Common Shares; and *pari passu* with the Class A Preferred Shareholders and the Registered Pledges of the Class A Preferred Shares, the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of the Class C Preferred Shares as well as the Class D Preferred Shareholders and the Registered Pledges of the Class D Preferred Shares. If a fraction that is less than JPY 1 occurs as a result of multiplying the distribution amount of residual assets per Class E Preferred Share by the number of Class E Preferred Shares held by the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares, such fraction will be omitted. If the distribution amount of residual assets falls short of the total amount necessary to distribute residual assets of a certain order of priority, residual assets should be distributed on a *pro rata* basis in accordance with the amount necessary to distribute residual assets of that order of priority.

b. Participation clause

If residual assets remain even after the distribution of residual assets to the Class E Preferred Shareholders and Registered Pledges of Class E Preferred Shares pursuant to a. above, JDI will distribute residual assets per Class E Preferred Share calculated by multiplying the amount of residual assets per common share by the Class E Conversion Rate at the time of the distribution of residual assets to the Class E Preferred Shareholders and Registered Pledges of Class E Preferred Shares *pari passu* with the Common Shareholders and Registered Pledges of Common Shareholders; the Class A Preferred Shareholders and the Registered Pledges of Class A Preferred Shares; the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares; and the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares.

(iii) Transfer restriction

Acquisition of Class E Preferred Shares through their transfer requires the approval of JDI's board of directors meeting.

(iv) Voting rights

Unless otherwise provided for by law, the Class E Preferred Shareholders have no voting rights at general meetings of shareholders.

(v) Voting rights at the general meeting of class shareholders

Unless otherwise provided for by law, no resolution of the general meeting of class shareholders comprised of Class E Preferred Shareholders is required in order for JDI to engage in any of the acts listed under each item of Article 322, paragraph (1) of the Companies Act.

(vi) Cash-consideration call option (mandatory redemption)

Notwithstanding the intent of the Class E Preferred Shareholders and Registered Pledgees of Class E Preferred Shares, in exchange for delivering the Class E Investment Amount to the Class E Preferred Shareholders and Registered Pledgees of Class E Preferred Shares, within the limit of the distributable amount under Article 461, paragraph (2) of the Companies Act as of the date separately determined by JDI's board of directors meeting (the "Mandatory Redemption Date"), to the extent permitted by applicable laws, JDI can acquire the Class E Preferred Shares in whole or in part anytime, if the Mandatory Redemption Date has arrived. If there is more than one Class E Preferred Shareholder at the time of acquiring part of the Class E Preferred Shares, the Class E Preferred Shares to be acquired by JDI will be determined by its board of directors meeting on a pro rata basis.

(vii) Common share-consideration put option (right to claim conversion)

a. Details of the conversion claim

On or after the first anniversary of the payment date (meaning the day when the Class E Preferred Shares are initially issued; hereinafter the same), to the extent permitted by applicable laws, the Class E Preferred Shareholders and Registered Pledgees of Class E Preferred Shares can claim that JDI deliver common shares per Class E Preferred Share the number of which is calculated based on the formula stated in b. below, in exchange for JDI acquiring the Class E Preferred Shares (the "Conversion Claim").

b. Formula for number of common shares to be delivered based on the conversion claim

The number of common shares to be delivered in exchange for acquiring one Class E Preferred Share will be calculated based on the following formula:

(Formula)

Number of common shares to be delivered in exchange for acquiring one Class E Preferred Share
= Class E Investment Amount ÷ Class E Conversion Price

If a fraction that is less than 1 share occurs at the time of calculating the number of common shares to be delivered to the Class E Preferred Shareholders and Registered Pledges of Class E Preferred Shares, such fraction will be omitted and treated in accordance with Article 167, paragraph (3) of the Companies Act.

c. Class E Conversion Price

The Class E Conversion Price means an amount stated below.

- (a) The initial price shall be JPY 24.
- (b) Notwithstanding (a) above, if any of the following (A) through (E) occurs at JDI, JDI will adjust the Class E Conversion Price in accordance with each of (A) through (E). If a fraction that is less than JPY 1 occurs as a result of the adjustment, JDI will calculate such fraction to the third decimal place, and omit digits after the second decimal place.
- (A) If JDI implements the Share Split, etc. of common shares, JDI will adjust the Class E Conversion Price based on the formula below. In the case of an allotment of shares without contribution, "Number of issued and outstanding common shares before the Share Split, etc." and "Number of issued and outstanding common shares after the Share Split, etc." in the following formula are to be read as "Number of issued and outstanding common shares before the allotment of shares without contribution (excluding, however, common shares held by JDI at that time)" and "Number of issued and outstanding common shares after the allotment of shares without contribution (excluding, however, common shares held by JDI at that time)," respectively.

$$\text{Class E Conversion Price after adjustment} = \text{Class E Conversion Price before adjustment} \times \frac{\text{Number of issued and outstanding common shares before the Share Split, etc.}}{\text{Number of issued and outstanding common shares after the Share Split, etc.}}$$

The Class E Conversion Price after adjustment will be applied, in the case of a share split, on and after the day following the record date of such share split, in the case of a consolidation of shares or allotment of shares without contribution, on and after the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).

(B) If JDI issues its common shares (including dispositions of treasury shares; hereinafter the same in this item (B)) the price of which is less than the Class E Conversion Price before the adjustment (excluding, however, the cases where (i) JDI implements an allotment of shares without contribution, (ii) JDI issues its common shares by exercising or converting the Potential Shares (which means shares with put options, shares subject to call, stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter the same in this paragraph), and other securities or rights with status that makes it possible to have them converted into common shares based on the claim by holders of such securities or rights or JDI, or subject to conditions that certain events occur; hereinafter the same), (iii) JDI delivers its common shares as a result of a merger, share exchange, or company split, or (iv) JDI sells its treasury shares pursuant to Article 194 of the Companies Act), JDI will adjust the Class E Conversion Price based on the formula below.

In these Conditions of the 12th Series Stock Acquisition Rights of Japan Display Inc., the "Total Number of Shares" means the number obtained by adding (i) the number of common shares underlying the issued and outstanding Potential Shares (excluding those held by JDI) as of the day before the date on which the Class E Conversion Price after the adjustment is applied to (ii) the number of issued and outstanding common shares as of the same day (excluding those held by JDI).

Also, in the case of a disposition of treasury shares, "Issue price" and "Number of shares to be newly issued" in the formula stated in this item (B) are to be read as "Disposition price" and "Number of treasury shares to be disposed," respectively.

$$\begin{array}{r}
 \text{Class E} \\
 \text{Conversion Price} \\
 \text{after adjustment}
 \end{array}
 =
 \begin{array}{r}
 \text{Class E} \\
 \text{Conversion Price} \\
 \text{before adjustment}
 \end{array}
 \times
 \begin{array}{r}
 \text{Total} \\
 \text{Number of} \\
 \text{Shares}
 \end{array}
 +
 \frac{\begin{array}{r}
 \text{Number of shares to be newly issued} \\
 \times \text{Issue price per share}
 \end{array}}{\begin{array}{r}
 \text{Class E Conversion Price before} \\
 \text{adjustment}
 \end{array}}
 \frac{\begin{array}{r}
 \text{Total Number of Shares} \\
 + \text{Number of shares to be newly issued}
 \end{array}}{\begin{array}{r}
 \text{Total Number of Shares} \\
 + \text{Number of shares to be newly issued}
 \end{array}}$$

The Class E Conversion Price after adjustment will be applied on and after the day following the payment date (if the payment period is set, the end of such period), if a record date for the allotment to shareholders is set, on and after the day following such record date.

- (C) If JDI issues shares that can be converted into its common shares (including the case of an allotment of shares without contribution), and the price determined by its board of directors meeting as a price of consideration per common share to be delivered upon the conversion of such shares is less than the Class E Conversion Price before adjustment, JDI will adjust the Class E Conversion Price based on the formula below.

However, "Number of shares to be newly issued" in the formula stated in this item (C) means the number of common shares to be delivered if all the shares to be issued are converted into common shares on the date on which the adjustment under this item (C) is applied.

$$\text{Class E Conversion Price after adjustment} = \frac{\text{Class E Conversion Price before adjustment} \times \text{Total Number of Shares} + \frac{\text{Number of shares to be newly issued} \times \text{Price of consideration per share}}{\text{Class E Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}$$

The Class E Conversion Price after adjustment will be applied on and after the day following the payment date (if the payment period is set, the end of such period), in the case of an allotment of shares without contribution, on and after the effective date of such allotment of shares without contribution (if a record date for such allotment of shares without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class E Conversion Price after adjustment will be applied on and after the day following such day of allotment to shareholders.

- (D) If JDI issues stock acquisition rights for which its common shares are the underlying shares (including the case of an allotment of stock acquisition rights without contribution), and the total amount of the payment price of stock acquisition rights per common share and the price per common share of properties to be invested at the time of exercising such stock acquisition rights (the "Price of Consideration per Share" in this item (D)) is less than the Class E Conversion Price, JDI will adjust the Class E Conversion Price based on the formula below.

However, "Number of shares to be newly issued" in the formula stated in this item (D) means the number of common shares to be delivered if all the stock acquisition rights are exercised or converted into common shares on the date on which the adjustment under this item (D) is applied.

$$\text{Class E Conversion Price after adjustment} = \frac{\text{Class E Conversion Price before adjustment} \times \text{Total Number of Shares} + \frac{\text{Number of shares to be newly issued} \times \text{Price of consideration per share}}{\text{Class E Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}$$

The Class E Conversion Price after adjustment will be applied on and after the day following the day of the allotment, in the case of an allotment of stock acquisition rights without contribution, on and after the effective date of such allotment of stock acquisition rights without contribution (if a record date for such allotment of stock acquisition rights without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class E Conversion Price after adjustment will be applied on and after the day following such day of allotment to shareholders.

- (E) If any of (a) a merger in which JDI becomes a surviving company or a parent company of a surviving company, (b) a share exchange in which JDI becomes a wholly-owning parent company or a parent company of a wholly-owning parent company, or (c) a company split in which JDI becomes a succeeding company or a parent company of a succeeding company is implemented, and value per share of JDI to be allotted to shareholders of a consolidated company through a merger or per share of JDI to be allotted to shareholders of a wholly-owned subsidiary through a share exchange, or per share of JDI to be allotted to a split company or shareholders of a split company (the "Allotted Shares") (such value is reasonably determined by JDI's board of directors meeting. If such Allotted Shares can be converted into its common shares, such value will be a converted amount per common share; hereinafter the same) is less than the Class E Conversion Price before adjustment, JDI will adjust the Class E Conversion Price based on the following formula.

However, if such Allotted Shares can be converted into JDI's common shares, the "Number of Allotted Shares" in the formula stated in this item (E) should be the number of common shares underlying such shares.

$$\text{Class E Conversion Price after adjustment} = \frac{\text{Class E Conversion Price before adjustment} \times \text{Total Number of Shares} + \frac{\text{Number of Allotted Shares} \times \text{Value per share}}{\text{Class E Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of Allotted Shares}}$$

$$\begin{aligned} & \text{Total Number of Shares} \\ & + \text{Number of Allotted Shares} \end{aligned}$$

The Class E Conversion Price after adjustment will be applied on and after the effective date of such merger, share exchange, or company split.

- (viii) Consolidation of shares or share split
- a. If JDI implements a share split or consolidation of shares, JDI will also implement such share split or consolidation of shares with respect to common shares, the Class A Preferred Shares, the Class B Preferred Shares, the Class C Preferred Shares, the Class D Preferred Share, and the Class E Preferred Shares, at the same time and proportion for each class.
 - b. If JDI grants to shareholders entitlement to the allotment of offered shares, JDI will grant to the Common Shareholders entitlement to the allotment of common shares, to the Class A Preferred Shareholders entitlement to the allotment of the Class A Preferred Shares, to the Class B Preferred Shareholders entitlement to the allotment of the Class B Preferred Shares, to the Class C Preferred Shareholders entitlement to the allotment of the Class C Preferred Shares, to the Class D Preferred Shareholders entitlement to the allotment of the Class D Preferred Shares, and to the Class E Preferred Shareholders entitlement to the allotment of the Class E Preferred Shares, at the same time and proportion, respectively.
 - c. If JDI implements an allotment of shares without contribution, JDI will allot common shares to the Common Shareholders without contribution, the Class A Preferred Shares to the Class A Preferred Shareholders without contribution, the Class B Preferred Shares to the Class B Preferred Shareholders without contribution, the Class C Preferred Shares to the Class C Preferred Shareholders without contribution, the Class D Preferred Shares to the Class D Preferred Shareholders without contribution, and the Class E Preferred Shares to the Class E Preferred Shareholders without contribution, at the same time and proportion, respectively.
 - d. If JDI grants to shareholders entitlement to the allotment of offered stock acquisition rights, JDI will grant to the Common Shareholders entitlement to the allotment of stock acquisition rights for which common shares are the underlying shares, to the Class A Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class A Preferred Shares are the underlying shares, to the Class B Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class B Preferred Shares are the underlying shares, to the Class C Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class C Preferred Shares are the underlying shares, to the Class D Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class D Preferred Shares are the underlying shares, and to the Class E Preferred Shareholders entitlement to the

allotment of stock acquisition rights for which the Class E Preferred Shares are the underlying shares, at the same time and proportion (including making the ratio of the number of shares underlying stock acquisition rights substantially the same; hereinafter the same in this paragraph), respectively, under the conditions including substantially fair payment amount, property value to be invested at the time of exercising stock acquisition rights.

- e. If JDI implements allotment of stock acquisition rights without contribution, JDI will allot stock acquisition rights for which common shares are the underlying shares to the Common Shareholders, stock acquisition rights for which the Class A Preferred Shares are the underlying shares to the Class A Preferred Shareholders, stock acquisition rights for which the Class B Preferred Shares are the underlying shares to the Class B Preferred Shareholders, stock acquisition rights for which the Class C Preferred Shares are the underlying shares to the Class C Preferred Shareholders, stock acquisition rights for which the Class D Preferred Shares are the underlying shares to the Class B Preferred Shareholders, and stock acquisition rights for which the Class E Preferred Shares are the underlying shares to the Class E Preferred Shareholders, at the same time and proportion, respectively.

7. Amount to be paid-in upon exercising stock acquisition rights

The value of properties to be contributed upon exercising each Stock Acquisition Right shall be the result of the amount to be paid-in for one share that may be delivered by exercising such stock acquisition right (the "Exercise Price"), multiplied by the Number of Granted Shares.

The Exercise Price shall be JPY 10,000,000 per share.

If any of the following events occurs to JDI after the allotment date, JDI shall adjust the Exercise Price by using the respective calculation formula; any fraction less than JPY 1 resulting from the adjustment shall be rounded to the nearest whole number.

- (i) If JDI splits (including allotment of the Class E Preferred Shares without contribution) or consolidates the Class E Preferred Shares:

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Share split/consolidation ratio}}$$

- (ii) If JDI implements a capital decrease, merger, company split, or share exchange, or any other unavoidable event requiring adjustment of the Exercise Price occurs, JDI may adjust the Exercise Price within a reasonable extent after taking into consideration the terms for such capital decrease, merger, company split, or share exchange.

8. Exercisable period for the Stock Acquisition Rights

From October 1, 2020 until June 30, 2024 (if such day is not a business day of JDI, the business day immediately before such day.)

9. Conditions to exercising the Stock Acquisition Rights

N/A

10. Amount to be incorporated into the stated capital out of the issue price of share certificates if issued by exercising the Stock Acquisition Rights

The amount of the stated capital increased when issuing the Class E Preferred Shares by exercising the Stock Acquisition Rights shall be one-half of the Maximum Amount of Increase in Stated Capital calculated pursuant to Article 17, paragraph (1) of the Regulation on Corporate Accounting (any fraction less than JPY 1 resulting from the calculation shall be rounded to the nearest whole number), and the remaining amount shall be the amount of capital reserves.

11. Matters regarding transfer of the Stock Acquisition Rights

Acquisition of the Stock Acquisition Rights through their transfer shall require the approval of the board of directors of JDI.

12. Acquisition of the Stock Acquisition Rights

If the Stock Acquisition Rights are transferred to a third party in breach of paragraph 11, and the board of directors of JDI resolves that it is necessary to acquire the Stock Acquisition Rights, JDI shall give notice pursuant to Articles 273 and 274 of the Companies Act on and after the day following the allotment date of the Stock Acquisition Rights and shall be entitled to acquire all or part of the Stock Acquisition Rights remaining on the acquisition date to be determined by the board of directors of JDI without contribution. If JDI acquires part of the Stock Acquisition Rights, the board of directors of JDI will determine the number of Stock Acquisition Rights to be acquired.

13. Method to request an exercise of the Stock Acquisition Rights

- (1) If the Stock Acquisition Rights are exercised, the department accepting requests to exercise the Stock Acquisition Rights described in paragraph 15, shall be notified of the matters necessary for a request to

exercise the Stock Acquisition Rights during the exercisable period described in paragraph 8.

- (2) If the Stock Acquisition Rights are exercised, in addition to the notice set forth in the preceding item, the entire amount of property to be invested upon exercising the Stock Acquisition Rights shall be transferred in cash to an account to be designated by JDI at the payment handling bank described in paragraph 16.
- (3) A request to exercise the Stock Acquisition Rights shall be effective on the date when a notice of all matters necessary for the request to exercise the Stock Acquisition Rights is provided to the department accepting requests to exercise the Stock Acquisition Rights described in paragraph 15, and when the entire amount of property to be invested upon exercising the Stock Acquisition Rights has been transferred to an account as set forth in the preceding item.

14. Non issuance of securities of stock acquisition rights

JDI will not issue any securities of stock acquisition rights regarding the Stock Acquisition Rights.

15. Department accepting requests to exercise the Stock Acquisition Rights

Finance Division, Japan Display Inc.

16. Payment handling bank

Headquarters of Mizuho Bank, Ltd.

17. Others

- (1) Each paragraph above is conditioned on a proposal related to the issuance of the Stock Acquisition Rights being approved at JDI's annual general meeting of shareholders scheduled to be held on August 26, 2020 (the "General Meeting of Shareholders") and a proposal concerning the partial amendment to the Articles of Incorporation for the issuance of the Class E Preferred Shares which are the underlying shares of the Stock Acquisition Rights being approved at the General Meeting of Shareholders, general meeting of class shareholders by the Class A Preferred Shareholders, and general meeting of class shareholders by the Class B Preferred Shareholders.
- (2) Other matters necessary for the Stock Acquisition Rights will be entrusted to the representative directors of JDI.

Draft Amended Articles of Incorporation

(Amendments are underlined)

Current Articles of Incorporation	Amended Articles of Incorporation
<p>(Total Number of Authorized Shares and Class Shares) Article 6 The total number of authorized shares of the Company shall be 10,000,000,000 shares, and total number of authorized class shares of the Company shall be as follows: Common shares 10,000,000,000 shares Class A Preferred Shares 1,020,000,000 shares Class B Preferred Shares 672,000,000 shares Class C Preferred Shares 672,000,000 shares</p>	<p>(Total Number of Authorized Shares and Class Shares) Article 6 The total number of authorized shares of the Company shall be 10,000,000,000 shares, and total number of authorized class shares of the Company shall be as follows: Common shares 10,000,000,000 shares Class A Preferred Shares 1,020,000,000 shares Class B Preferred Shares 672,000,000 shares Class C Preferred Shares 672,000,000 shares <u>Class D Preferred Shares 500 shares</u> <u>Class E Preferred Shares 5,540 shares</u></p>
<p>(Share Unit) Article 7 The share unit of common shares, the Class A Preferred Shares, the Class B Preferred Shares, <u>and the Class C Preferred Shares</u> of the Company shall be 100 shares.</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Share Unit) Article 7 The share unit of common shares, the Class A Preferred Shares, the Class B Preferred Shares, <u>the Class C Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares</u> of the Company shall be 100 shares.</p> <p><u>(Class D Preferred Shares)</u> <u>Article 11-5</u> <u>The details of the Class D Preferred Shares issued by the Company shall be provided in the following paragraph through paragraph 8.</u></p> <p><u>2. Dividend of surplus</u></p> <p><u>(1) Dividend of surplus</u> <u>The Company shall pay dividends per Class D Preferred Share calculated by multiplying dividends per common share by the Class D Conversion Rate (defined below) on the dividend payment date to the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date <i>pari passu</i> with the Common Shareholders and the Registered Pledges of Common Shares who are registered or recorded on the last shareholders register on the dividend payment date; the Class A Preferred Shareholders and the Registered Pledges of Class A Preferred</u></p>

Current Articles of Incorporation	Amended Articles of Incorporation
	<p><u>Shares who are registered or recorded on the last shareholders register on the dividend payment date; the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date; the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date; and the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date. If a fraction that is less than JPY 1 occurs as a result of multiplying dividends per Class D Preferred Share by the number of shares over which the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares have rights, such fraction will be omitted.</u></p> <p><u>"Class D Conversion Rate" means the number (calculated to the third decimal place, and the digit in the third decimal place shall be omitted) obtained by dividing the Class D Investment Amount (defined in item (2); hereinafter the same) at that time by the Class D Conversion Price (defined in paragraph 8, item (3); hereinafter the same).</u></p> <p><u>(2) The Class D Investment Amount</u></p> <p><u>1) The initial amount shall be JPY 10,000,000.</u></p> <p><u>2) If the Company implements the Share Split, etc. of the Class D Preferred Shares, the Class D Investment Amount shall be adjusted in accordance with the formula below. If a fraction that is less than JPY 1 occurs as a result of the adjustment, the Company shall calculate such fraction to the third decimal place, and omit the digit in the third decimal place. In the case of an allotment of shares without contribution, "Number of issued and outstanding Class D Preferred Shares before the Share Split, etc." and "Number of issued and outstanding Class D Preferred Shares after the Share Split, etc." in the following formula shall be to be read as "Number of issued and outstanding Class D Preferred Shares before the allotment of shares without contribution (excluding, however, the Class D Preferred Shares held by the Company at that time)" and "Number of issued and outstanding</u></p>

Current Articles of Incorporation	Amended Articles of Incorporation
(Newly established)	<p data-bbox="807 230 1398 360"><u>Class D Preferred Shares after the allotment of shares without contribution (excluding, however, the Class D Preferred Shares held by the Company at that time)," respectively.</u></p> $ \frac{\text{Class D Investment Amount after adjustment}}{\text{Class D Investment Amount before adjustment}} = \frac{\text{Class D Investment Amount before adjustment}}{\text{Class D Investment Amount after adjustment}} \times \frac{\text{Number of issued and outstanding Class D Preferred Shares before the Share Split, etc.}}{\text{Number of issued and outstanding Class D Preferred Shares after the Share Split, etc.}} $ <p data-bbox="807 600 1398 931"><u>The Class D Investment Amount after adjustment shall be applied, in the case of a share split, on and after the day following the record date of such share split, and in the case of a consolidation of shares or allotment of shares without contribution, on and after the day following the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).</u></p> <p data-bbox="807 969 1398 1099">3) <u>If other events similar to 2) above occur, the Class A Investment Amount shall be properly adjusted by resolutions of the Company's board of directors meeting.</u></p> <p data-bbox="807 1137 1217 1171"><u>3. Distribution of residual assets</u></p> <p data-bbox="807 1205 1398 2016">(1) <u>Distribution of residual assets</u> <u>When the Company distributes its residual assets at the dissolution of the Company, the Company shall pay amounts per Class D Preferred Share equivalent to the Class D Investment Amount to the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares, <i>pari passu</i> with the Class A Preferred Shareholders and the Registered Pledges of Class A Preferred Shares, the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares, and the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares, before the Common Shareholders and the Registered Pledges of Common Shares. If a fraction that is less than JPY 1 occurs as a result of multiplying the distribution amount of residual assets per Class D Preferred Share by the number of shares over which the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares have rights, such fraction will be omitted. If the distribution amount of residual assets falls short of the total amount necessary to</u></p>

Current Articles of Incorporation	Amended Articles of Incorporation
	<p><u>distribute residual assets of a certain order of priority, residual assets shall be distributed on a pro rata basis in accordance with the amount necessary to distribute residual assets of that order of priority.</u></p> <p><u>(2) Participation clause</u> <u>If residual assets remain even after the distribution of residual assets to the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares pursuant to item (1), the Company shall distribute residual assets per Class D Preferred Share calculated by multiplying the amount of residual assets per common share by the Class D Conversion Rate at the time of the distribution of residual assets to the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares <i>pari passu</i> with the Common Shareholders and the Registered Pledges of Common Shares, the Class A Preferred Shareholders and the Registered Pledges of Class A Preferred Shares, the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares, and the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares.</u></p>
(Newly established)	<p><u>4. Transfer restriction</u></p> <p><u>Acquisition of Class D Preferred Shares through their transfer requires the approval of the Company's board of directors meeting.</u></p>
(Newly established)	<p><u>5. Voting rights</u></p> <p><u>The Class D Preferred Shareholders have no voting rights at general meetings of shareholders, unless otherwise provided for by law.</u></p>
(Newly established)	<p><u>6. Voting rights at the general meeting of class shareholders</u></p> <p><u>Unless otherwise provided for by law, no resolution of the general meeting of class shareholders comprised of Class D Preferred Shareholders is required in order for the Company to engage in any of the acts listed under each item of Article 322, paragraph (1) of the Companies Act.</u></p>
(Newly established)	<p><u>7. Cash-consideration call option (mandatory redemption)</u></p>

Current Articles of Incorporation	Amended Articles of Incorporation
<p>(Newly established)</p>	<p><u>Notwithstanding the intent of the Class D Preferred Shareholders and the Registered Pledgees of Class D Preferred Shares, in exchange for delivering the Class D Investment Amount to the Class D Preferred Shareholders and the Registered Pledgees of Class D Preferred Shares, within the limit of the distributable amount under Article 461, paragraph (2) of the Companies Act as of the date separately determined by the Company's board of directors meeting (the "Mandatory Redemption Date" in this paragraph 7), the Company may acquire the Class D Preferred Shares in whole or in part anytime, within the extent permitted by law, if the Mandatory Redemption Date has arrived. If there is more than one Class D Preferred Shareholder at the time of acquiring part of the Class D Preferred Shares, the Class D Preferred Shares to be acquired by the Company shall be determined by its board of directors meeting on a pro rata basis.</u></p> <p><u>8. Common share-consideration put option (right to claim redemption)</u></p> <p><u>(1) Details of the conversion claim</u> <u>On or after the first anniversary of the payment date, within the extent permitted by law, the Class D Preferred Shareholders and the Registered Pledgees of Class D Preferred Shares may claim that the Company deliver common shares per Class D Preferred Share the number of which is calculated based on the formula stated in item (2), in exchange for the Company acquiring the Class D Preferred Shares (the "Conversion Claim" in this paragraph 8).</u></p> <p><u>(2) Formula for number of common shares to be delivered based on the Conversion Claim</u> <u>The number of common shares to be delivered in exchange for acquiring one Class D Preferred Share shall be calculated based on the following formula:</u></p> <p><u>(Formula)</u> <u>Number of common shares to be delivered in exchange for acquiring one Class D Preferred Share</u> $= \frac{\text{Class D Investment Amount}}{\text{Class D Conversion Price}}$</p>

Current Articles of Incorporation	Amended Articles of Incorporation
	<p><u>If a fraction that is less than 1 share occurs at the time of calculating the number of common shares to be delivered to the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares, such fraction shall be omitted and treated in accordance with Article 167, paragraph (3) of the Companies Act.</u></p> <p><u>(3) Class D Conversion Price</u> <u>The Class D Conversion Price shall be an amount stated below.</u></p> <p><u>1) The initial price shall be JPY 50.</u></p> <p><u>2) Notwithstanding 1) above, if any of the following (i) through (v) occurs at the Company, the Company shall adjust the Class D Conversion Price in accordance with each of (i) through (v). If a fraction that is less than JPY 1 occurs as a result of the adjustment, the Company shall calculate such fraction to the third decimal place, and omit the digit in the third decimal place.</u></p> <p><u>(i) If the Company implements the Share Split, etc. of common shares, the Company shall adjust the Class D Conversion Price based on the formula below. In the case of an allotment of shares without contribution, "Number of issued and outstanding common shares before the Share Split, etc." and "Number of issued and outstanding common shares after the Share Split, etc." in the following formula shall be to be read as "Number of issued and outstanding common shares before the allotment of shares without contribution (excluding, however, common shares held by the Company at that time)" and "Number of issued and outstanding common shares after the allotment of shares without contribution (excluding, however, common shares held by the Company at that time)," respectively.</u></p> $\frac{\text{Class D Conversion Price after adjustment}}{\text{Class D Conversion Price before adjustment}} = \frac{\text{Number of issued and outstanding common shares before the Share Split, etc.}}{\text{Number of issued and outstanding common shares after the Share Split, etc.}}$ <p><u>The Class D Conversion Price after adjustment shall be applied, in the case of a share split, on and after the day following the record date of such share split, and in the case of a consolidation of shares or allotment of shares</u></p>

Current Articles of Incorporation	Amended Articles of Incorporation
	<p><u>without contribution, on and after the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).</u></p> <p><u>(ii) If the Company issues its common shares (including dispositions of treasury shares; hereinafter the same in this item (ii)) the price of which is less than the Class D Conversion Price before the adjustment (excluding, however, the cases where (a) the Company implements an allotment of shares without contribution, (b) the Company issues its common shares by exercising or converting the Potential Shares (which means shares with put options, shares subject to call, stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter the same in this paragraph 8)), and other securities or rights with status that makes it possible to have them converted into common shares based on the claim by holders of such securities or rights or the Company, or subject to conditions that certain events occur; hereinafter the same in this paragraph 8), (c) the Company delivers its common shares as a result of a merger, share exchange, or company split, or (d) the Company sells its treasury shares pursuant to Article 194 of the Companies Act), the Company shall adjust the Class D Conversion Price based on the formula below.</u></p> <p><u>In this paragraph 8, the "Total Number of Shares" means the number obtained by adding (x) the number of common shares underlying the issued and outstanding Potential Shares (excluding those held by the Company) as of the day before the date on which the Class D Conversion Price after the adjustment is applied to (y) the number of issued and outstanding common shares as of the same day (excluding those held by the Company). Also, in the case of a disposition of treasury shares, "Issue price" and "Number of shares to be newly issued" in the formula stated in this item (ii) are to be read as "Disposition price" and "Number of treasury shares to be disposed," respectively.</u></p> $ \frac{\text{Class D Conversion Price after adjustment}}{\text{Class D Conversion Price before adjustment}} = \frac{\text{Total Number of Shares} + \text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Total Number of Shares}} $

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	<p style="text-align: right;"><u>+ Number of shares to be newly issued</u></p> <p><u>The Class D Conversion Price after adjustment shall be applied on and after the day following the payment date (if the payment period is set, the end of such period). If a record date for the allotment to shareholders is set, the Class D Conversion Price after adjustment shall be applied on and after the day following such record date.</u></p> <p><u>(iii) If the Company issues shares that can be converted into its common shares (including the case of an allotment of shares without contribution), and the price determined by its board of directors meeting as a price of consideration per common share to be delivered upon the conversion of such shares is less than the Class D Conversion Price before adjustment, the Company shall adjust the Class D Conversion Price based on the formula below. However, "Number of shares to be newly issued" in the formula stated in this item (iii) means the number of common shares to be delivered if all the shares to be issued are converted into common shares on the date on which the adjustment under this item (iii) is applied.</u></p> $ \begin{array}{r} \text{Class D Conversion Price after adjustment} = \frac{\text{Class D Conversion Price before adjustment} \times \text{Total Number of Shares} + \text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}} \end{array} $ <p><u>The Class D Conversion Price after adjustment shall be applied on and after the day following the payment date (if the payment period is set, the end of such period), and in the case of an allotment of shares without contribution, on and after the effective date of such allotment of shares without contribution (if a record date for such allotment of shares without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class D Conversion Price after adjustment shall be applied on and after the day following such day of allotment to shareholders.</u></p>

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	<p>(iv) <u>If the Company issues stock acquisition rights for which its common shares are the underlying shares (including the case of an allotment of stock acquisition rights without contribution), and the total amount of the payment price of stock acquisition rights per common share and the price per common share of properties to be invested at the time of exercising such stock acquisition rights (the "Price of Consideration per Share" in this item (iv)) is less than the Class D Conversion Price before adjustment, the Company shall adjust the Class D Conversion Price based on the formula below. However, "Number of shares to be newly issued" in the formula stated in this item (iv) means the number of common shares to be delivered if all the stock acquisition rights are exercised or converted into common shares on the date on which the adjustment under this item (iv) is applied.</u></p> $ \begin{array}{r} \text{Class D Conversion Price after adjustment} = \frac{\text{Class D Conversion Price before adjustment} \times \text{Total Number of Shares} + \text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}} \end{array} $ <p><u>The Class D Conversion Price after adjustment shall be applied on and after the day following the day of the allotment, and in the case of an allotment of stock acquisition rights without contribution, on and after the effective date of such allotment of stock acquisition rights without contribution (if a record date for such allotment of stock acquisition rights without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class D Conversion Price after adjustment shall be applied on and after the day following such day of allotment to shareholders.</u></p> <p>(v) <u>If any of (a) a merger in which the Company becomes a surviving company or a parent company of a surviving company, (b) a share exchange in which the Company becomes a wholly-owning parent company or a parent company of a wholly-owning parent company, or (c) a company split in which the Company becomes a succeeding company or a parent company of a succeeding company is</u></p>

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	<p><u>implemented, and value per share of the Company to be allotted to shareholders of a consolidated company through a merger or per share of the Company to be allotted to shareholders of a wholly-owned subsidiary through a share exchange, or per share of the Company to be allotted to a split company or shareholders of a split company through a company split (the "Allotted Shares" in this paragraph 8) (such value is reasonably determined by the Company's board of directors meeting. If such Allotted Shares can be converted into its common shares, such value shall be a converted amount per common share; hereinafter the same in this paragraph 8) is less than the Class D Conversion Price before adjustment, the Company shall adjust the Class D Conversion Price based on the formula below. However, if the Allotted Shares can be converted into the Company's common shares, "Number of Allotted Shares" in the formula stated in this item (v) means the number of common shares underlying the Allotted Shares.</u></p> $ \begin{array}{r} \text{Class D Conversion Price after} \\ \text{adjustment} = \frac{\text{Class D Conversion Price before adjustment} \times \text{Total Number of Shares of Class D Conversion Shares} + \text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}} \end{array} $ <p><u>The Class D Conversion Price after adjustment shall be applied on and after the effective date of such merger, share exchange, or company split.</u></p> <p><u>(Class E Preferred Shares)</u> <u>Article 11-6</u> <u>The details of the Class E Preferred Shares issued by the Company shall be provided in the following paragraph through paragraph 8.</u></p> <p><u>2. Dividend of surplus</u></p> <p><u>(1) Dividend of surplus</u> <u>The Company shall pay dividends per Class E Preferred Share calculated by multiplying dividends per common share by the Class E Conversion Rate (defined below) on the dividend payment date to the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares who are registered or recorded on the last shareholders register on the</u></p>
(Newly established)	
(Newly established)	

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	<p><u>dividend payment date <i>pari passu</i> with the Common Shareholders and the Registered Pledges of Common Shares who are registered or recorded on the last shareholders register on the dividend payment date; the Class A Preferred Shareholders and the Registered Pledges of Class A Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date; the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date; the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date; and the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date. If a fraction that is less than JPY 1 occurs as a result of multiplying dividends per Class E Preferred Share by the number of shares over which the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares have rights, such fraction will be omitted.</u></p> <p><u>"Class E Conversion Rate" means the number (calculated to the third decimal place, and the digit in the third decimal place shall be omitted) obtained by dividing the Class E Investment Amount (defined in item (2); hereinafter the same) at that time by the Class E Conversion Price (defined in paragraph 8, item (3); hereinafter the same).</u></p> <p><u>(2) The Class E Investment Amount</u></p> <p><u>1) The initial amount shall be JPY 10,000,000.</u></p> <p><u>2) If the Company implements the Share Split, etc. of the Class E Preferred Shares, the Class E Investment Amount shall be adjusted in accordance with the formula below. If a fraction that is less than JPY 1 occurs as a result of the adjustment, the Company shall calculate such fraction to the third decimal place, and omit the digit in the third decimal place. In the case of an allotment of shares without contribution, "Number of issued and outstanding Class E Preferred Shares before the Share Split, etc." and</u></p>

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<p>(Newly established)</p>	<p><u>"Number of issued and outstanding Class E Preferred Shares after the Share Split, etc." in the following formula shall be to be read as "Number of issued and outstanding Class E Preferred Shares before the allotment of shares without contribution (excluding, however, the Class E Preferred Shares held by the Company at that time)" and "Number of issued and outstanding Class E Preferred Shares after the allotment of shares without contribution (excluding, however, the Class E Preferred Shares held by the Company at that time)," respectively.</u></p> $\frac{\text{Class E Investment Amount after adjustment}}{\text{Class E Investment Amount before adjustment}} = \frac{\text{Class E Investment Amount before adjustment}}{\text{Class E Investment Amount after adjustment}} \times \frac{\text{Number of issued and outstanding Class E Preferred Shares before the Share Split, etc.}}{\text{Number of issued and outstanding Class E Preferred Shares after the Share Split, etc.}}$ <p><u>The Class E Investment Amount after adjustment shall be applied, in the case of a share split, on and after the day following the record date of such share split, and in the case of a consolidation of shares or allotment of shares without contribution, on and after the day following the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).</u></p> <p><u>3) If other events similar to 2) above occur, the Class E Investment Amount shall be properly adjusted by resolutions of the Company's board of directors meeting.</u></p> <p><u>3. Distribution of residual assets</u></p> <p><u>(1) Distribution of residual assets</u> <u>When the Company distributes its residual assets at the dissolution of the Company, the Company shall pay amounts per Class E Preferred Share equivalent to the Class E Investment Amount to the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares, <i>pari passu</i> with the Class A Preferred Shareholders, and the Registered Pledges of Class A Preferred Shares, the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares, and the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares, before the Common Shareholders and the Registered</u></p>

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	<p><u>Pledges of Common Shares. If a fraction that is less than JPY 1 occurs as a result of multiplying the distribution amount of residual assets per Class E Preferred Share by the number of shares over which the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares have rights, such fraction will be omitted. If the distribution amount of residual assets falls short of the total amount necessary to distribute residual assets of a certain order of priority, residual assets shall be distributed on a pro rata basis in accordance with the amount necessary to distribute residual assets of that order of priority.</u></p> <p><u>(2) Participation clause</u> <u>If residual assets remain even after the distribution of residual assets to the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares pursuant to item (1), the Company shall distribute residual assets per Class E Preferred Share calculated by multiplying the amount of residual assets per common share by the Class E Conversion Rate at the time of the distribution of residual assets to the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares <i>pari passu</i> with the Common Shareholders and the Registered Pledges of Common Shares, the Class A Preferred Shareholders and the Registered Pledges of Class A Preferred Shares, the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares, and the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares.</u></p>
(Newly established)	<p><u>4. Transfer restriction</u></p> <p><u>Acquisition of Class E Preferred Shares through their transfer requires the approval of the Company's board of directors meeting.</u></p>
(Newly established)	<p><u>5. Voting rights</u></p> <p><u>The Class E Preferred Shareholders have no voting rights at general meetings of shareholders, unless otherwise provided for by law.</u></p>
(Newly established)	<p><u>6. Voting rights at the general meeting of class shareholders</u></p> <p><u>Unless otherwise provided for by law, no resolution of the general meeting of class</u></p>

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(Newly established)	<p><u>shareholders comprised of Class E Preferred Shareholders is required in order for the Company to engage in any of the acts listed under each item of Article 322, paragraph (1) of the Companies Act.</u></p> <p><u>7. Cash-consideration call option (mandatory redemption)</u></p> <p><u>Notwithstanding the intent of the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares, in exchange for delivering the Class E Investment Amount to the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares, within the limit of the distributable amount under Article 461, paragraph (2) of the Companies Act as of the date separately determined by the Company's board of directors meeting (the "Mandatory Redemption Date" in this paragraph 7), the Company may acquire the Class E Preferred Shares in whole or in part anytime, within the extent permitted by law, if the Mandatory Redemption Date has arrived. If there is more than one Class E Preferred Shareholder at the time of acquiring part of the Class E Preferred Shares, the Class E Preferred Shares to be acquired by the Company shall be determined by its board of directors meeting on a pro rata basis.</u></p>
(Newly established)	<p><u>8. Common share-consideration put option (right to claim redemption)</u></p> <p><u>(1) Details of the conversion claim</u> <u>On or after the first anniversary of the payment date (meaning the date on which the Class E Preferred Shares are issued for the first time; hereinafter the same in this paragraph 8), within the extent permitted by law, the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares may claim that the Company deliver common shares per Class E Preferred Share the number of which is calculated based on the formula stated in item (2), in exchange for the Company acquiring the Class E Preferred Shares (the "Conversion Claim" in this paragraph 8).</u></p> <p><u>(2) Formula for number of common shares to be delivered based on the Conversion Claim</u> <u>The number of common shares to be delivered in exchange for acquiring one Class E Preferred</u></p>

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	<p><u>Share shall be calculated based on the following formula:</u></p> <p><u>(Formula)</u> <u>Number of common shares to be delivered in exchange for acquiring one Class E Preferred Share</u> <u>= Class E Investment Amount ÷ Class E Conversion Price</u></p> <p><u>If a fraction that is less than 1 share occurs at the time of calculating the number of common shares to be delivered to the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares, such fraction shall be omitted and treated in accordance with Article 167, paragraph (3) of the Companies Act.</u></p> <p><u>(3) Class E Conversion Price</u> <u>The Class E Conversion Price shall be an amount stated below.</u></p> <p><u>1) The initial price shall be JPY 24.</u></p> <p><u>2) Notwithstanding 1) above, if any of the following (i) through (v) occurs at the Company, the Company shall adjust the Class E Conversion Price in accordance with each of (i) through (v). If a fraction that is less than JPY 1 occurs as a result of the adjustment, the Company shall calculate such fraction to the third decimal place, and omit the digit in the third decimal place.</u></p> <p><u>(i) If the Company implements the Share Split, etc. of common shares, the Company shall adjust the Class E Conversion Price based on the formula below. In the case of an allotment of shares without contribution, "Number of issued and outstanding common shares before the Share Split, etc." and "Number of issued and outstanding common shares after the Share Split, etc." in the following formula shall be to be read as "Number of issued and outstanding common shares before the allotment of shares without contribution (excluding, however, common shares held by the Company at that time)" and "Number of issued and outstanding common shares after the allotment of shares without contribution (excluding, however, common shares held by the Company at that time)," respectively.</u></p> <p><u>Class E Class E Number of issued and</u></p>

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	<p data-bbox="810 230 1398 365"> $\frac{\text{Conversion Price after adjustment}}{\text{Conversion Price before adjustment}} = \frac{\text{Conversion Price before adjustment}}{\text{Conversion Price after adjustment}} \times \frac{\text{Number of issued and outstanding common shares before the Share Split, etc.}}{\text{Number of issued and outstanding common shares after the Share Split, etc.}}$ </p> <p data-bbox="810 405 1398 734"> <u>The Class E Conversion Price after adjustment shall be applied, in the case of a share split, on and after the day following the record date of such share split, and in the case of a consolidation of shares or allotment of shares without contribution, on and after the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).</u> </p> <p data-bbox="810 775 1398 2009"> <u>(ii) If the Company issues its common shares (including dispositions of treasury shares; hereinafter the same in this item (ii)) the price of which is less than the Class E Conversion Price before the adjustment (excluding, however, the cases where (a) the Company implements an allotment of shares without contribution, (b) the Company issues its common shares by exercising or converting the Potential Shares (which means shares with put options, shares subject to call, stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter the same in this paragraph 8)), and other securities or rights with status that makes it possible to have them converted into common shares based on the claim by holders of such securities or rights or the Company, or subject to conditions that certain events occur; hereinafter the same in this paragraph 8), (c) the Company delivers its common shares as a result of a merger, share exchange, or company split, or (d) the Company sells its treasury shares pursuant to Article 194 of the Companies Act), the Company shall adjust the Class E Conversion Price based on the formula below. In this paragraph 8, the "Total Number of Shares" means the number obtained by adding (x) the number of common shares underlying the issued and outstanding Potential Shares (excluding those held by the Company) as of the day before the date on which the Class E Conversion Price after the adjustment is applied to (y) the number of issued and outstanding common shares as of the same day (excluding those held by the Company). Also, in the case of a disposition of treasury shares, "Issue price" and "Number of shares to be newly issued" in the formula stated in this item (ii) are to be</u> </p>

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	<p data-bbox="807 230 1337 293"><u>read as "Disposition price" and "Number of treasury shares to be disposed," respectively.</u></p> $ \frac{\text{Class E Conversion Price after adjustment}}{\text{Price before adjustment}} = \frac{\text{Class E Conversion Price before adjustment} \times \frac{\text{Total Number of Shares}}{\text{Number of shares to be newly issued}} + \text{Class E Conversion Price before adjustment}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}} $ <p data-bbox="807 618 1374 882"><u>The Class E Conversion Price after adjustment shall be applied on and after the day following the payment date (if the payment period is set, the end of such period). If a record date for the allotment to shareholders is set, the Class E Conversion Price after adjustment shall be applied on and after the day following such record date.</u></p> <p data-bbox="807 920 1398 1453"><u>(iii) If the Company issues shares that can be converted into its common shares (including the case of an allotment of shares without contribution), and the price determined by its board of directors meeting as a price of consideration per common share to be delivered upon the conversion of such shares is less than the Class E Conversion Price before adjustment, the Company shall adjust the Class E Conversion Price based on the formula below. However, "Number of shares to be newly issued" in the formula stated in this item (iii) means the number of common shares to be delivered if all the shares to be issued are converted into common shares on the date on which the adjustment under this item (iii) is applied.</u></p> $ \frac{\text{Class E Conversion Price after adjustment}}{\text{Price before adjustment}} = \frac{\text{Class E Conversion Price before adjustment} \times \frac{\text{Total Number of Shares}}{\text{Number of shares to be newly issued}} + \text{Class E Conversion Price before adjustment}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}} $ <p data-bbox="807 1778 1374 2007"><u>The Class E Conversion Price after adjustment shall be applied on and after the day following the payment date (if the payment period is set, the end of such period), and in the case of an allotment of shares without contribution, on and after the effective date of such allotment of shares without contribution (if a record date for</u></p>

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	<p><u>such allotment of shares without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class E Conversion Price after adjustment shall be applied on and after the day following such day of allotment to shareholders.</u></p> <p><u>(iv) If the Company issues stock acquisition rights for which its common shares are the underlying shares (including the case of an allotment of stock acquisition rights without contribution), and the total amount of the payment price of stock acquisition rights per common share and the price per common share of properties to be invested at the time of exercising such stock acquisition rights (the "Price of Consideration per Share" in this item (iv)) is less than the Class E Conversion Price before adjustment, the Company shall adjust the Class E Conversion Price based on the formula below. However, "Number of shares to be newly issued" in the formula stated in this item (iv) means the number of common shares to be delivered if all the stock acquisition rights are exercised or converted into common shares on the date on which the adjustment under this item (iv) is applied.</u></p> $ \begin{array}{r} \text{Class E Conversion Price after adjustment} = \frac{\text{Class E Conversion Price before adjustment} \times \text{Total Number of Shares} + \text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}} \end{array} $ <p><u>The Class E Conversion Price after adjustment shall be applied on and after the day following the day of the allotment, and in the case of an allotment of stock acquisition rights without contribution, on and after the effective date of such allotment of stock acquisition rights without contribution (if a record date for such allotment of stock acquisition rights without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class E Conversion Price after adjustment shall be applied on and after the day following such day of allotment to shareholders.</u></p>

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<p>(Consolidation of shares or share split) Article 11-5 If the Company implements a share split or consolidation of shares, the Company will also implement such share split or consolidation of shares with respect to common shares, the Class A Preferred Shares, the Class B Preferred Shares</p>	<p>(v) <u>If any of (a) a merger in which the Company becomes a surviving company or a parent company of a surviving company, (b) a share exchange in which the Company becomes a wholly-owning parent company or a parent company of a wholly-owning parent company, or (c) a company split in which the Company becomes a succeeding company or a parent company of a succeeding company is implemented, and value per share of the Company to be allotted to shareholders of a consolidated company through a merger or per share of the Company to be allotted to shareholders of a wholly-owned subsidiary through a share exchange, or per share of the Company to be allotted to a split company or shareholders of a split company through a company split (the "Allotted Shares" in this paragraph 8) (such value is reasonably determined by the Company's board of directors meeting. If such Allotted Shares can be converted into its common shares, such value shall be a converted amount per common share; hereinafter the same in this paragraph 8) is less than the Class E Conversion Price before adjustment, the Company shall adjust the Class E Conversion Price based on the formula below. However, if the Allotted Shares can be converted into the Company's common shares, "Number of Allotted Shares" in the formula stated in this item (v) means the number of common shares underlying the Allotted Shares.</u></p> $ \begin{array}{r} \text{Class E Conversion Price after adjustment} = \frac{\text{Class E Conversion Price before adjustment} \times \text{Total Number of Shares} + \text{Number of shares to be newly issued} \times \text{Class E Conversion Price before adjustment}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}} \end{array} $ <p><u>The Class E Conversion Price after adjustment shall be applied on and after the effective date of such merger, share exchange, or company split.</u></p> <p>(Consolidation of shares or share split) Article 11-7 If the Company implements a share split or consolidation of shares, the Company will also implement such share split or consolidation of shares with respect to common shares, the Class A Preferred Shares, the Class B Preferred Shares, the Class C Preferred Shares, the Class D</p>

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<p><u>and</u> the Class C Preferred Shares, at the same time and proportion for each class.</p> <p>2. If the Company grants to shareholders entitlement to the allotment of offered shares, the Company will grant to the Common Shareholders entitlement to the allotment of common shares, to the Class A Preferred Shareholders entitlement to the allotment of the Class A Preferred Shares, to the Class B Preferred Shareholders entitlement to the allotment of the Class B Preferred Shares, and to the Class C Preferred Shareholders entitlement to the allotment of the Class C Preferred Shares, at the same time and proportion, respectively.</p> <p>3. If the Company implements an allotment of shares without contribution, the Company will allot common shares to the Common Shareholders without contribution, the Class A Preferred Shares to the Class A Preferred Shareholders without contribution, the Class B Preferred Shares to the Class B Preferred Shareholders without contribution, and the Class C Preferred Shares to the Class C Preferred Shareholders without contribution, at the same time and proportion, respectively.</p> <p>4. If the Company grants to shareholders entitlement to the allotment of offered stock acquisition rights, the Company will grant to the Common Shareholders entitlement to the allotment of stock acquisition rights for which common shares are the underlying shares, entitlement to the Class A Preferred Shareholders to the allotment of stock acquisition rights for which the Class A Preferred Shares are the underlying shares, entitlement to the Class B Preferred Shareholders to the allotment of stock acquisition rights for which the Class B Preferred Shares are the underlying shares, and entitlement to the Class C Preferred Shareholders to the allotment of stock acquisition rights for which the Class C Preferred Shares are the underlying</p>	<p><u>Preferred Shares, and the Class E Preferred Shares</u>, at the same time and proportion for each class.</p> <p>2. If the Company grants to shareholders entitlement to the allotment of offered shares, the Company will grant to the Common Shareholders entitlement to the allotment of common shares, to the Class A Preferred Shareholders entitlement to the allotment of the Class A Preferred Shares, to the Class B Preferred Shareholders entitlement to the allotment of the Class B Preferred Shares, to the Class C Preferred Shareholders entitlement to the allotment of the Class C Preferred Shares, <u>to the Class D Preferred Shareholders entitlement to the allotment of the Class D Preferred Shares, and to the Class E Preferred Shareholders entitlement to the allotment of the Class E Preferred Shares</u>, at the same time and proportion, respectively.</p> <p>3. If the Company implements an allotment of shares without contribution, the Company will allot common shares to the Common Shareholders without contribution, the Class A Preferred Shares to the Class A Preferred Shareholders without contribution, the Class B Preferred Shares to the Class B Preferred Shareholders without contribution, the Class C Preferred Shares to the Class C Preferred Shareholders without contribution, <u>the Class D Preferred Shares to the Class D Preferred Shareholders without contribution, and the Class E Preferred Shares to the Class E Preferred Shareholders without contribution</u>, at the same time and proportion, respectively.</p> <p>4. If the Company grants to shareholders entitlement to the allotment of offered stock acquisition rights, the Company will grant to the Common Shareholders entitlement to the allotment of stock acquisition rights for which common shares are the underlying shares, entitlement to the Class A Preferred Shareholders to the allotment of stock acquisition rights for which the Class A Preferred Shares are the underlying shares, entitlement to the Class B Preferred Shareholders to the allotment of stock acquisition rights for which the Class B Preferred Shares are the underlying shares, entitlement to the Class C Preferred Shareholders to the allotment of stock acquisition rights for which the Class C Preferred Shares are the underlying</p>

Current Articles of Incorporation	Amended Articles of Incorporation
<p>shares, at the same time and proportion (including making the ratio of the number of shares underlying stock acquisition rights substantially the same; hereinafter the same in this paragraph 4), respectively, under the conditions including substantially fair payment amount, property value to be invested at the time of exercising stock acquisition rights.</p> <p>5. If the Company implements allotment of stock acquisition rights without contribution, the Company will allot stock acquisition rights for which common shares are the underlying shares to the Common Shareholders, stock acquisition rights for which the Class A Preferred Shares are the underlying shares to the Class A Preferred Shareholders, stock acquisition rights for which the Class B Preferred Shares are the underlying shares to the Class B Preferred Shareholders, and stock acquisition rights for which the Class C Preferred Shares are the underlying shares to the Class C Preferred Shareholders, at the same time and proportion, respectively.</p>	<p>shares, <u>entitlement to the Class D Preferred Shareholders to the allotment of stock acquisition rights for which the Class D Preferred Shares are the underlying shares, and entitlement to the Class E Preferred Shareholders to the allotment of stock acquisition rights for which the Class E Preferred Shares are the underlying shares</u>, at the same time and proportion (including making the ratio of the number of shares underlying stock acquisition rights substantially the same; hereinafter the same in this paragraph 4), respectively, under the conditions including substantially fair payment amount, property value to be invested at the time of exercising stock acquisition rights.</p> <p>5. If the Company implements allotment of stock acquisition rights without contribution, the Company will allot stock acquisition rights for which common shares are the underlying shares to the Common Shareholders, stock acquisition rights for which the Class A Preferred Shares are the underlying shares to the Class A Preferred Shareholders, stock acquisition rights for which the Class B Preferred Shares are the underlying shares to the Class B Preferred Shareholders, stock acquisition rights for which the Class C Preferred Shares are the underlying shares to the Class C Preferred Shareholders, <u>stock acquisition rights for which the Class D Preferred Shares are the underlying shares to the Class D Preferred Shareholders, and stock acquisition rights for which the Class E Preferred Shares are the underlying shares to the Class E Preferred Shareholders</u>, at the same time and proportion, respectively.</p>