January 25, 2023

To all parties concerned,

Company Name: Hitachi Transport System, Ltd.
Name of Representative: Hiroaki Takagi
Representative Executive Officer, President and COO
(Code: 9086, Prime Market of the Tokyo Stock Exchange)
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Announcement of Issuance of Class Shares through Third-Party Allotment, Partial Amendment to the Articles of Incorporation, and Reduction in the Amount of Stated Capital, Capital Reserves and Retained Earnings Reserves

Hitachi Transport System, Ltd. (the "Company") announces that it has resolved, at the board of directors' meeting held on January 25, 2023, to [1] issue Class A shares and Class B shares (collectively, the "Class Shares") through third-party allotment to HTSK Co., Ltd. (the "Scheduled Allottee") (the "Capital Increase through Third-Party Allotment"), [2] partially amend the Articles of Incorporation including establishment of provisions concerning the Class Shares (the "Amendment to the Articles of Incorporation"), and [3] reduce the amount of stated capital, capital reserves, and retained earnings reserves after the Capital Increase through Third-Party Allotment (the "Capital Reduction, Etc."), as below.

The payment pertaining to the issuance of Class A shares will be performed through contribution in-kind of a monetary claim.

Further, all of the Capital Increase through Third-Party Allotment, the Amendment to the Articles of Incorporation (excluding the Corporate Name Change (as defined below)) and the Capital Reduction, Etc. will be implemented on March 1, 2023, after the Company's common shares (the "Company Shares") are delisted on February 24, 2023, and subject to the Share Consolidation (as defined below) taking effect on February 28, 2023, and the Scheduled Allottee and Hitachi, Ltd. ("Hitachi") becoming the only shareholders of the Company. The Corporate Name Change will be implemented on April 1, 2023, subject to the Transaction (as defined below) being implemented.

I. Capital Increase through Third-Party Allotment

1. Overview of Offering

(1) Overview of Class A Shares

[1] Payment Date	March 1, 2023
[2] Number of Shares to Be Newly Issued	One (1) Class A shares
[3] Issue Price	10,000,000,000 yen per share
[4] Amount of Funds to Be Procured	10,000,000,000 yen

[5] Details of Assets Contributed in Kind	Entire claim for compensation of 10,000,000,000 yen (the "Claim for Compensation") to be held by the Scheduled Allottee against the Company through a series of procedures (Note) under a four-party agreement dated October 27, 2022 between the Company, the Scheduled Allottee, Hitachi and HTSK Holdings Co., Ltd. (the "Scheduled Allottee Parent") (the "Four-Party Agreement"). The amount of the Claim for Compensation to be contributed will be the same amount as the face value of the Claim for Compensation. * Arrival of due date The Companies Act (Act No. 86 of 2005; as amended; the "Companies Act") requires any assets contributed in kind to be investigated by inspectors or attorneys, certified public accountants or certified public tax accountants or the like (the "Inspectors, Etc."), in principle. However, it is stipulated that investigation by the Inspectors, Etc. is not required if an asset contributed in kind is a monetary claim against the Company that will implement a capital increase, provided that the existence of the claim can be confirmed by accounting books and it is within the range of the balance of the books (Article 207, Paragraph 9, Item 5 of the Companies Act). As the item only applies to a monetary claim of which the due date has arrived, the Company and the Scheduled Allottee agree to have the due date of the Claim for Compensation to be contributed in kind arrive on the payment date (March 1, 2023). Therefore, the monetary claim to be contributed in kind upon the issuance of Class A shares will not be investigated by the Inspectors, Etc.
[6] Method of Offering or Allotment (Scheduled Allottee)	All of the Class A shares will be allotted to the Scheduled Allottee through third-party allotment.
[7] Others	For details, please see Exhibit 1 "Conditions of Issuance of Class A Shares." ・ Class A shares do not carry any put options or call options the consideration for which is common shares. ・ The shareholders holding Class A shares do not have voting rights at a shareholders meeting. ・ Under the Conditions of Issuance of Class A Shares, any transfer or acquisition of Class A shares must be approved by the Company's shareholders meeting. The issuance of Class A shares is subject to [1] the proposals on (i) the share consolidation to consolidate 4,781,654 shares of the Company Shares into one (1) share with the effective date being February 28, 2023 (the "Share Consolidation"), and (ii) the partial amendment to the Articles of Incorporation to abolish the provisions concerning a reduction in the total number of authorized shares and the share units being approved at the extraordinary shareholders meeting to be held on February 2, 2023 (the "Extraordinary Shareholders Meeting (Share Consolidation)"), and the Share Consolidation and the amendment to the Articles of Incorporation taking effect; and [2] the proposals on the Capital Increase through Third-Party Allotment and the Amendment to the Articles of Incorporation

	concerning the Class Shares (as defined below) being approved by an extraordinary resolution of the extraordinary shareholders meeting as of February 28, 2023 (including a written resolution under Article 319, Paragraph 1 of the Companies Act; the same applies hereinafter) (the "Extraordinary Shareholders Meeting (Capital Increase through Third-Party Allotment, Etc.)"), and the Amendment to the Articles of Incorporation concerning the Class Shares taking effect.

(Note) Under the Four-Party Agreement, the Company, the Scheduled Allottee, Hitachi and the Scheduled Allottee Parent agree to implement the following acts in the following order on March 1, 2023:

[1] The Company will waive the benefit of time pertaining to the obligation to pay 10,000,000,000 yen that is part of the consideration for the Share Repurchase (as defined below) (the "Obligation (Company)").

[2] The Scheduled Allottee will assume the Obligation (Company) jointly and severally with the Company (the obligation that the Scheduled Allottee will owe to Hitachi under such assumption of obligation not releasing the obligor therefrom shall be referred to as the "Obligation (Scheduled Allottee)" hereinafter), and Hitachi will accept this without objection.

[3] The Scheduled Allottee Parent will assume the Obligation (Scheduled Allottee) jointly and severally with the Scheduled Allottee (the obligation that the Scheduled Allottee Parent will owe to Hitachi under such assumption of obligation not releasing the obligor therefrom shall be referred to as the "Obligation (Scheduled Allottee Parent)" hereinafter), and Hitachi will accept this without objection.

[4] Hitachi will, through contribution in-kind of claims pertaining to the Obligation (Scheduled Allottee Parent) to the Scheduled Allottee Parent, acquire 10% of the voting rights in the Scheduled Allottee Parent, and extinguish the Obligation (Scheduled Allottee Parent) through a merger based on Article 520 of the Civil Code (Act No. 89 of 1896; as amended).

[5] The Scheduled Allottee will acquire the claim for compensation the amount of which is equivalent to the Obligation (Scheduled Allottee), i.e., the Claim for Compensation against the Company as a result of the extinction of the Obligation (Scheduled Allottee) associated with the extinction of the Obligation (Scheduled Allottee Parent).

(2) Overview of Class B Shares

[1] Payment Date	March 1, 2023
[2] Number of Shares to Be Newly Issued	One (1) Class B share
[3] Issue Price	127,200,000,000 yen per share
[4] Amount of Funds to Be Procured	127,200,000,000 yen
[5] Method of Offering or Allotment (Scheduled Allottee)	All of the Class B shares will be allotted to the Scheduled Allottee through third-party allotment.
[6] Others	For details, please see Exhibit 2 "Conditions of Issuance of Class B Shares." ・ Class B shares do not carry any put options or call options the consideration for which is common shares.

	・ The shareholders holding Class B shares do not have voting rights at shareholders meeting. ・ Under the Conditions of Issuance of Class B Shares, any transfer or acquisition of Class B shares must be approved by the Company's shareholders meeting. The issuance of Class B shares is subject to [1] the proposals on (i) the Share Consolidation and (ii) the partial amendment to the Articles of Incorporation to abolish the provisions concerning a reduction in the total number of authorized shares and the share units being approved at the Extraordinary Shareholders Meeting (Share Consolidation), and the Share Consolidation and the amendment to the Articles of Incorporation taking effect; and [2] the proposals on the Capital Increase through Third-Party Allotment and the Amendment to the Articles of Incorporation concerning the Class Shares being approved by an extraordinary resolution of the Extraordinary Shareholders Meeting (Capital Increase through Third-Party Allotment, Etc.), and the Amendment to the Articles of Incorporation concerning the Class Shares taking effect.

2. Purposes of and Reasons for Offering

As announced in the "Announcement of Expression of Opinion in Support of the Tender Offer by HTSK Co., Ltd. for the Shares of Hitachi Transport System, Ltd., and Recommendation of Tender" dated October 27, 2022 (the "Press Release Expressing the Company's Opinion"), and the "Announcement of Results of the Tender Offer by HTSK Co., Ltd. for the Shares of Hitachi Transport System, Ltd., and Change in the Parent Company and Largest Shareholder who is a Major Shareholder" dated November 30, 2022, the Scheduled Allottee commenced a tender offer targeting all of the Company Shares (excluding the Company Shares owned by Hitachi, the major shareholder and an affiliate of the Company (33,471,578 shares; ownership ratio (Note 1): 39.91%; the "Shares to Be Sold"), and treasury shares owned by the Company) for which the period for purchase, etc. was from October 28, 2022 to November 29, 2022 (the "Tender Offer"), as a part of a series of transactions for the purpose of the Scheduled Allottee being the only shareholder of the Company and of delisting the Company Shares (the "Transaction"), and consequently, came to own 42,867,630 shares of the Company Shares (voting right ownership ratio (Note 2): 51.11%) as of December 6, 2022, the commencement date of the settlement of the Tender Offer.

(Note 1) The "ownership ratio" is calculated using as a denominator the number of voting rights (838,728 units) pertaining to the number of shares (83,872,836 shares), which is obtained by after deducting the number of treasury shares owned by the Company as of September 30, 2022 (228,878 shares) (excluding the number of the Company Shares held by the board benefit trust being a performance-based stock remuneration plan for the Company's executive officers as of the same date: 177,000 shares) from the total number of the Company's issued shares (84,101,714 shares) as of the same date as stated in the "Consolidated Financial Report [IFRS] for the Second Quarter of the Year ending March 2023" announced by the Company on October 27, 2022, and is rounded to the second decimal place.

(Note 2) The "voting right ownership ratio" is calculated using as a denominator the number of voting rights (838,728 units) pertaining to the number of shares (83,872,836 shares), which is obtained after deducting the number of treasury shares owned by the Company as of September 30, 2022 (228,878 shares) (excluding the number of the Company Shares held by the board benefit trust being a performance-based stock remuneration plan for the Company's

executive officers as of the same date: 177,000 shares) from the total number of the Company's issued shares (84,101,714 shares) as of the same date as stated in the quarterly report for 2Q of FY2022 (ending March 31, 2023) submitted by the Company on November 14, 2022, and is rounded to the second decimal place.

In addition, as announced in the "Announcement of Holding an Extraordinary Shareholders Meeting Related to Share Consolidation, Abolition of the Provisions regarding a Share Unit, and Partial Amendment to the Articles of Incorporation" dated December 27, 2022, while the Tender Offer has been completed, the Scheduled Allottee was not able to acquire all of the Company Shares (excluding the Shares to Be Sold and the treasury shares owned by the Company) through the Tender Offer; therefore, upon the Scheduled Allottee's request, as announced in the Press Release Expressing the Company's Opinion, at the board of directors' meeting held on December 27, 2022, the Company decided to submit the proposal for the Share Consolidation, subject to the approval of the shareholders at the Extraordinary Shareholders Meeting (Share Consolidation), in order to make the Scheduled Allottee and Hitachi the only shareholders of the Company (the "Squeeze Out"). The number of the Company Shares owned by the shareholders other than the Scheduled Allottee and Hitachi are planned to be fractional shares of less than one (1) share upon the Share Consolidation.

Further, as announced in the Press Release Expressing the Company's Opinion, it is planned in the Transaction that the Company will, after completion of the Squeeze Out, acquire the Shares to Be Sold that are owned by Hitachi (the "Share Repurchase"), and thereby the Scheduled Allottee will ultimately make the Company its wholly-owned subsidiary.

In connection with the Share Repurchase, while the amount of money that the Company will deliver to Hitachi must be within the distributable amount as of the effective date of the Share Repurchase, the distributable amount of the Company before implementation of the Capital Increase through Third-Party Allotment and the Capital Reduction, Etc. falls below the total amount of consideration for the Share Repurchase. Therefore, as a result of consultations between the Company and the Scheduled Allottee, in order to secure a distributable amount required for the Share Repurchase, the Company will implement the Capital Increase through Third-Party Allotment and the Capital Reduction, Etc.; and after they take effect, it plans to implement the Share Repurchase.

It is assumed that all of the Capital Increase through Third-Party Allotment, the Capital Reduction, Etc., and the Share Repurchase will be implemented on March 1, 2023, subject to the Share Consolidation taking effect on February 28, 2023, and the Scheduled Allottee and Hitachi becoming the only shareholders of the Company.

3. Amount, Purpose of Use, and Scheduled Time of Paying-out of, Funds to be Procured

(1) Amount of Funds to Be Procured

[1] Total Amount to be Paid-in	127,200,000,000 yen
[2] Estimated Issuance Costs	490,000,000 yen
[3] Estimated Net Proceeds	126,710,000,000 yen

(Note 1) As the issuance of Class A shares will be implemented through contribution in-kind of a monetary claim, no payment will be made in cash. The total amount to be paid-in is the amount equivalent to the total amount to be paid-in for Class B shares of 127,200,000,000 yen.

(Note 2) The estimated issuance costs do not include consumption tax or the like.

(Note 3) The estimated issuance costs include the amount equivalent to the registration and license tax, attorney fees, and other costs and expenses.

(2) Specific Purpose of Use of Funds to be Procured

Specific Purpose of Use	Amount	Scheduled Time of Paying-out
Funds to implement the Share Repurchase	126,710,000,000 yen	March 2023

4. Stance regarding the Reasonableness of the Purpose of Use of Funds

The purpose of the Capital Increase through Third-Party Allotment is to secure the distributable amount and funds to implement the Share Repurchase. Accordingly, the Company intends to secure the distributable amount necessary for the Share Repurchase by implementing the Capital Reduction, Etc. after the effectuation of the Capital Increase through Third-Party Allotment and to appropriate all amounts of the funds to be procured under the Capital Increase through Third-Party Allotment as part of the funds for the Share Repurchase. Because both of these attempts are conducted as part of the Transaction by the Scheduled Allottee, the Company determined that the purpose of use of funds is reasonable.

5. Reasonableness of the Terms of Issuance, Etc.

(1) Calculation Basis of the Amount to Be Paid-in and Specific Content Thereof

The Company has had a series of discussions with the Scheduled Allottee regarding the method and content of the capital contribution pertaining to the Capital Increase through Third-Party Allotment. As a result of a series of sincere discussions, the amount to be paid-in for Class A shares was decided to be 10,000,000,000 yen per share, and the amount to be paid-in for Class B shares was decided to be 127,200,000,000 yen per share. The Company deems the amount to be paid-in as reasonable because the amount is based on the agreement with the Scheduled Allottee, who will be the only shareholder of the Company upon implementation of the Share Repurchase.

Nevertheless, there is no objective market price for the Class Shares; further, the evaluation of class shares is very sophisticated and complex, and there can be a variety of views regarding their evaluation. Accordingly, because it cannot be completely denied that the amount to be paid-in for the Class Shares may be deemed, under the Companies Act, particularly favorable for the Scheduled Allottee, the Company decided at the Extraordinary Shareholders Meeting (Capital Increase through Third-Party Allotment) to issue the Class Shares, subject to the approval by a special resolution of a shareholders meeting regarding a favorable issuance pursuant to Article 199, Paragraph 2 of the Companies Act. Upon the effectuation of the Share Consolidation on February 28, 2023, the Company intends to obtain the written consent of the Scheduled Allottee and Hitachi, being the Company's shareholders at that time, for the special resolution of the shareholders meeting, and deem that the shareholders meeting has been held based on Article 319, Paragraph 1 of the Companies Act; accordingly, for the Capital Issuance through Third-Party Allotment, the Company shall not hold a shareholders meeting constituted by those who are the Company's shareholders before the effectuation of the Share Consolidation.

(2) Basis for the Determination That the Number of Shares to Be Issued and the Level of Dilution of the Shares Are Reasonable

The number of the Class Shares to be issued (Class A shares: one (1) share; Class B shares: one (1) share) is set at the amount necessary for the purpose of the Capital Increase through Third-Party Allotment, which is securement of the funds and the distributable amount for implementing the Share Repurchase. Accordingly, the Company determined that the number of shares to be issued pertaining to the Capital Increase through Third-Party Allotment is reasonable.

Further, there will be no dilution of the Company Shares held by existing shareholders as a result of the Capital Increase through Third-Party Allotment because the Class Shares are non-voting shares and do not carry any put options or call options the consideration for which is common shares.

6. Reasons for Selecting the Scheduled Allottee

(1) Overview of the Scheduled Allottee

[1]	Name	HTSK Co., Ltd.	
[2]	Location	Meiji Yasuda Life Insurance Building 11F, 2-1-1 Marunouchi, Chiyoda-ku, Tokyo	
[3]	Name and Title of Representative	Steven Codispoti, Representative Director	
[4]	Type of Business	Trade and any other business incidental or related to trade	
[5]	Amount of Capital	5,000 yen	
[6]	Date of Incorporation	April 21, 2022	
[7]	Number of Issued Shares	200,000,000 shares	
[8]	Account Closing Date	March 31	
[9]	Number of Employees	0 employees	
[10]	Major Suppliers	N/A	
[11]	Major Banks	N/A	
[12]	Major Shareholders and Shareholding Ratio	HTSK Holdings Co., Ltd.	100%
[13]	Relationship between the Parties		
	Capital Relationship	The Scheduled Allottee owns 42,867,630 shares of the Company Shares as of today (January 25, 2023).	
	Personnel Relationship	N/A	
	Transaction Relationship	N/A	
	Status as Related Party	The Scheduled Allottee is the Company's parent company as of today (January 25, 2023) and is a related party of the Company.	

(Note 1) The Scheduled Allottee is a wholly-owned subsidiary of the Scheduled Allottee Parent, of which all of the issued shares are owned by HTSK Investment L.P., a limited partnership established under the laws of Ontario, Canada on April 25, 2022, which is indirectly held and operated by Kohlberg Kravis Roberts & Co. L.P., which is an investment advisory company established in the State of Delaware, the United States.

(Note 2) As the Company received an explanation from the Scheduled Allottee that it and its officers and major investors are not antisocial forces or do not have any relationship with antisocial forces and received a written pledge to that effect, the Company has determined that neither the Scheduled Allottee nor its related parties are antisocial forces, nor do they have any relationship with antisocial forces.

(Note 3) As the Scheduled Allottee is a company established on April 21, 2022, and its operating results and financial position during the last three (3) years do not exist, they are not stated.

(2) Reasons for Selecting the Scheduled Allottee

For the reasons for selecting the Scheduled Allottee, please refer to "2. Purposes of and Reasons for Offering" above.

(3) Policy of the Scheduled Allottee for Holding Shares

The Company received an explanation from the Scheduled Allottee that it intends to hold the Class Shares, which are the shares to be allotted, over the medium and long term.

(4) Confirmed Matters regarding the Existence of Property Required for the Scheduled Allottee to Pay-in

Not applicable, as payment pertaining to the issuance of Class A shares will be made by way of contribution in-kind of a monetary claim. According to the Scheduled Allottee, it intends to cover the funds required for the payment pertaining to the issuance of Class B shares by (i) the balance of the funds procured as the funds required for settlement of the Tender Offer by contribution by the Scheduled Allottee Parent, (ii) additional capital contribution by the Scheduled Allottee Parent, and (iii) borrowings from the Company.

The Company has confirmed the method for the Scheduled Allottee to secure funds by confirming the contribution certificate of the equity contribution by the Scheduled Allottee Parent, and it intends to accept the above-mentioned borrowing; therefore, the Company determined that the Scheduled Allottee has sufficient financial resources to pay-in for the Capital Increase through Third-Party Allotment.

7. Major Shareholders and Their Shareholding Ratio after Offering

(1) Common Shares

Before the Capital Increase through Third-Party Allotment (as of February 28, 2023)		After the Capital Increase through Third-Party Allotment
HTSK Co., Ltd.	53.33%	Same as on the left
Hitachi, Ltd.	46.67%	

(Note 1) The major shareholders and their shareholding ratio before the Capital Increase through Third-Party Allotment are stated based on the status of the Company's shareholders as of the time when the Share Consolidation takes effect on February 28, 2023. The total number of fractional shares of less than one (1) share arising as a result of Share Consolidation (two (2) shares) is excluded from the basis of calculation of the shareholding ratio above.

(Note 2) As the Class Shares have neither voting rights at a shareholders meeting nor call options or put options the consideration for which is the Company Shares, the Company Shares will not be diluted, and the shareholding ratio of the Company Shares will not be changed.

(Note 3) The shareholding ratio before the Capital Increase through Third-Party Allotment is calculated by rounding to the second decimal place.

(2) Class A Shares

Before the Capital Increase through Third-Party Allotment (as of February 28, 2023)	After the Capital Increase through Third-Party Allotment	
N/A	HTSK Co., Ltd.	100.00%

(3) Class B Shares

Before the Capital Increase through Third-Party Allotment (as of February 28, 2023)	After the Capital Increase through Third-Party Allotment	
N/A	HTSK Co., Ltd.	100.00%

8. Future Outlook

The Capital Increase through Third-Party Allotment has no impact on the Company's performance.

9. Procedures under the Corporate Code of Conduct

The Capital Increase through Third-Party Allotment does not require performance of the procedures under Article 432 of the Listing Regulations established by the Tokyo Stock Exchange, Inc.: receipt of

the opinion of an independent third party and confirmation of the intent of shareholders, as [1] its dilution ratio is less than 25%; and [2] it does not change the controlling shareholders.

10. Matters concerning Transactions, Etc. with Controlling Shareholders

(1) Applicability to Transactions, Etc. with Controlling Shareholders and the Status of Conformity with the Guidelines concerning Measures to Protect Minority Shareholders

As of today, the Scheduled Allottee is the Company's parent company, and the Capital Increase through Third-Party Allotment falls under transactions, etc. with controlling shareholders.

While the Company does not have "guidelines for the policy to protect minority shareholders in conducting transactions, etc. with controlling shareholders" in the report concerning corporate governance, the policy is that it takes appropriate responses so as not to harm interests of its minority shareholders by taking measures to ensure the fairness of the content of, and terms for, transactions, etc. with controlling shareholders when it conducts such transactions, including obtaining advice from attorneys-at-law and third-party organizations, as necessary, and making decisions after careful deliberations at meetings of its board of directors.

Taking into account that: [1] (i) the Capital Increase through Third-Party Allotment is executed after being approved by a special resolution of the Extraordinary Shareholders Meeting (Capital Increase through Third-Party Allotment, Etc.) requiring Hitachi's affirmative vote, after the Share Consolidation takes effect and the Scheduled Allottee and Hitachi become the only shareholders of the Company; and (ii) Hitachi will cease to be a shareholder of the Company through the Share Repurchase upon execution of the Capital Increase through Third-Party Allotment, there is no minority shareholder with an interest in the Capital Increase through Third-Party Allotment. In addition, [2] as described in "2. Purposes of and Reasons for Offering" above, while the Capital Increase through Third-Party Allotment is implemented as part of the Transaction aimed at making the Company Shares go private, the Company, as announced in the Press Release Expressing the Company's Opinion, established the Special Committee in order to eliminate arbitrariness in the Company's decision making concerning the candidate selection process in (a) a series of transactions aimed at making a third party other than Hitachi the only shareholder of the Company and making the Company Shares go private, or (b) the capital transaction on the premise of a sale of the Shares to Be Sold (the "Capital Transaction") during the consideration process for that series of transactions, including the Transaction, and to consider and evaluate, among other things, the validity of the transaction conditions, including the pros and cons of the Capital Transaction or its structure, and the fairness of the procedures, including the process of selecting the purchaser (partner), from the standpoint of aiming to enhance corporate value and to protect the interests of minority shareholders; and then the Company received from the Special Committee a report dated April 28, 2022 containing an opinion to the effect that the Capital Transaction is considered not to be disadvantageous to minority shareholders, and an additional report dated October 26, 2022 to the effect that there is no change to the opinion.

As stated above, in light of the fact that [1] there are no minority shareholder with an interest in the Capital Increase through Third-Party Allotment, and [2] the Company has obtained an opinion from the Special Committee to the effect that the Capital Transaction, including the Transaction are considered not to be disadvantageous to minority shareholders, the Company at its board of directors meeting held on January 25, 2023, determined after careful deliberation that the Capital Increase through Third-Party Allotment is considered not to be disadvantageous to minority shareholders, and resolved to implement the Capital Increase through Third-Party Allotment via unanimous decision of all seven (7) of the eight (8) directors of the Company who participated in the deliberations and resolutions, including five (5) independent outside directors, excluding Mr. Hiroshi Maruta, who is from Hitachi.

The Company determined that appropriate responses have been taken so as not to harm interests of its minority shareholders, and the aforementioned policy is thus conformed with.

(2) Matters concerning Measures for Ensuring Fairness and Measures for Avoiding Conflicts of Interest

As stated in "(1) Applicability to Transactions, Etc. with Controlling Shareholders and the Status of Conformity with the Guidelines concerning Measures to Protect Minority Shareholders" above, the Company obtained an opinion from the Special Committee to the effect that the Capital Transaction, including the Transaction are considered not to be disadvantageous to minority shareholders. Moreover, the Company intends to obtain approval for the Capital Increase through Third-Party Allotment and the Amendment to the Articles of Incorporation concerning the Class Shares by special resolution at the Extraordinary Shareholders Meeting (Capital Increase through Third-Party Allotment, Etc.). Furthermore, the Company resolved to implement the Capital Increase through Third-Party Allotment via unanimous decision of all seven (7) directors of the eight (8) directors of the Company who participated in the deliberations and resolutions, including five (5) independent outside directors, excluding Mr. Hiroshi Maruta, who is from Hitachi.

(3) Overview of Opinions Obtained from the Parties with No Interest in the Controlling Shareholder concerning the Absence of Disadvantage to Minority Shareholders in the Transaction

As stated in "(1) Applicability to Transactions, Etc. with Controlling Shareholders and the Status of Conformity with the Guidelines concerning Measures to Protect Minority Shareholders" above, the Company obtained an opinion from the Special Committee to the effect that the Capital Transaction, including the Transaction are considered not to be disadvantageous to minority shareholders.

11. Last Three-Year Business Results and Status of Equity Finance

(1) Last Three-Year Business Results (Consolidated IFRS)

	FY ended March 2020	FY ended March 2021	FY ended March 2022
Revenues	672,286 million yen	652,380 million yen	743,612 million yen
Operating income	33,483 million yen	36,711 million yen	38,696 million yen
Income before income taxes	33,829 million yen	39,134 million yen	24,631 million yen
Net income attributable to shareholders of the parent company	21,614 million yen	22,873 million yen	13,513 million yen
Net income attributable to shareholders of the parent company per share (basic)	193.76 yen	240.02 yen	161.47 yen
Dividends per share	43.00 yen	50.00 yen	56.00 yen
Equity attributable to shareholders of the parent company per share	2,087.52 yen	1,854.01 yen	2,033.37 yen

(2) Status of Current Number of Issued Shares and Dilutive Shares (as of January 25, 2023)

	Number of shares	Percentage to the number of issued shares
Number of issued shares	84,101,714 shares	100%
Number of dilutive shares at the current conversion price (exercise price)	—	—
Number of dilutive shares at the lower limit of conversion price (exercise price)	—	—
Number of dilutive shares at the upper limit of conversion price (exercise price)	—	—

As announced in the "Announcement of Cancellation of Treasury Shares" dated December 27, 2022, the Company resolved at its board of directors meeting held on December 27, 2022 to cancel 229,347 shares of its treasury shares (all of the treasury shares held by the Company as of December 6, 2022) on February 27, 2023. Such cancellation of treasury shares is on condition that the proposal for the Share Consolidation is approved in its original form at the Extraordinary Shareholders Meeting (Share Consolidation), and the total number of issued shares of the Company after the cancellation will be 83,872,367 shares.

(3) Status of Recent Share Prices

(i) Status during Last Three Years

	FY ended March 2020	FY ended March 2021	FY ended March 2022
Opening price	3,310 yen	2,322 yen	3,735 yen
Highest price	3,545 yen	3,830 yen	6,900 yen
Lowest price	1,977 yen	2,191 yen	3,230 yen
Closing price	2,349 yen	3,720 yen	6,720 yen

(ii) Status during Last Six Months

	2022 August	September	October	November	December	2023 January
Opening price	8,640 yen	8,790 yen	8,660 yen	8,890 yen	8,900 yen	8,890 yen
Highest price	8,820 yen	8,860 yen	8,900 yen	8,910 yen	8,920 yen	8,910 yen
Lowest price	8,580 yen	8,640 yen	8,560 yen	8,880 yen	8,870 yen	8,890 yen
Closing price	8,780 yen	8,660 yen	8,890 yen	8,890 yen	8,890 yen	8,900 yen

(Note) The share prices in January 2023 are those until January 24, 2023.

(iii) Share Prices on the Business Day before the Day That the Issuance Was Resolved

	January 24, 2023
Opening price	8,910 yen
Highest price	8,910 yen
Lowest price	8,890 yen
Closing price	8,900 yen

(4) Status of Equity Finance during the Last Three Years

Not applicable.

12. Conditions for Issuance

Please see Exhibit 1 "Conditions of Issuance of Class A Shares" and Exhibit 2 "Conditions of Issuance of Class B Shares."

II. Partial Amendment to the Articles of Incorporation

1. Purpose of Amendment to the Articles of Incorporation

(1) In order to enable the issuance of the Class Shares stated in "I. Capital Increase through Third-Party Allotment" above, Chapter 2-2 (Class Shares) and Article 15-2 (Class Shareholders Meeting) of the proposed amendment with respect to the Class Shares will be newly established, and Article 6 (Total Number of Shares Authorized to Be Issued) of the Articles of Incorporation will be amended (the "Amendment to the Articles of Incorporation concerning the Class Shares").

While the Amendment to the Articles of Incorporation concerning the Class Shares requires approval by a resolution of a shareholders meeting, upon the effectuation of the Share Consolidation on February 28, 2023, the Company intends to obtain the written consent of the Scheduled Allottee and Hitachi, being the Company's shareholders at that time, for the resolution of the shareholders meeting, and deem that the shareholders meeting has been held based on Article 319, Paragraph 1 of the Companies Act; accordingly, for the Amendment to the Articles of Incorporation concerning the Class Shares, the Company shall not hold a shareholders meeting constituted by those who are the Company's shareholders before the effectuation of the Share Consolidation. The same applies hereinafter to the amendment to the Articles of Incorporation.

(2) As announced in the "Announcement of Holding an Extraordinary Shareholders Meeting Related to Share Consolidation, Abolition of the Provisions regarding a Share Unit, and Partial Amendment to the Articles of Incorporation" dated December 27, 2022, the Company Shares are expected to be delisted as of February 24, 2023. Moreover, as described in "2. Purposes of and Reasons for Offering" of "I. Capital Increase through Third-Party Allotment" above, it is planned that the Company will implement the Share Repurchase, through which the Scheduled Allottee will ultimately make the Company its wholly-owned subsidiary. In association with this, the Scheduled Allottee will invest its capabilities and resources in the Company, and subject to the effectuation of the Share Repurchase, make the Company a company with company auditors and a company with provisions restricting share transfer, in order for the Company to improve the speed of decision making more than ever before, to obtain funds for investment, and to introduce external knowledge in order to increase the Company's corporate value by extending its competitiveness and profitability and by attaining new growth. In association with such transition, the following provisions of the Articles of Incorporation will be amended: Article 2 (Purpose), Article 3 (Company with Nominating Committee, Etc.), Article 8 (Rules and Regulations for Share Handling), Article 10 (Chairpersonship), Article 12 (Voting by Proxy), Article 14 (Number of Directors), Article 17 (Chairperson of the Board), Article 18 (Convocation of Board of Directors Meetings), Article 19 (Omission of Resolution of Board of Directors), and Article 23 (Number of Executive Officers); the following provisions of the proposed amendment will be newly established: Article 7 (Issuing of Share Certificate) to Article 9 (Acquisition of Treasury Shares), Article 20 (Directors with Special Title), and Article 26 (Election of Company Auditors) to Article 28 (Exemption from Liability of Company Auditors); and the entire text of the following provisions of the Articles of Incorporation will be deleted: Article 11 (Internet Disclosure of Shareholders Meeting Reference Documents, Etc.), Article 22 (Rules of Committees), Article 24 (Term of Office of Executive Officers) to Article 26 (Exemption from Liability of Executive Officers), and Article 29 (Dividend of Surplus and Acquisition of Treasury Shares).

(3) As announced in the "Announcement of the Corporate Name Change" dated October 27, 2022, the Company resolved at its board of directors meeting held on October 27, 2022, to change its corporate name to LOGISTEED, Ltd. as of April 1, 2023 (planned). In order to implement the corporate name change, Article 1 (Trade Name) of the Articles of Incorporation will be amended effective as of April 1, 2023 (the "Corporate Name Change").

(4) In association with the amendments above, the number of articles will be changed, text will be modified, and other necessary changes will be made.

2. Details of the Amendment to the Articles of Incorporation

The details of the Amendment to the Articles of Incorporation are per Exhibit 3 "Proposed Amendment to the Articles of Incorporation".

3. Schedule of the Amendment to the Articles of Incorporation

[1]	Date of resolution by board of directors	Wednesday, January 25, 2023
[2]	Date of resolution by shareholders meeting	Tuesday, February 28, 2023 (planned)
[3]	Effectuation date	Wednesday, March 1, 2023 (planned) *Saturday, April 1, 2023 (planned) for the Corporate Name Change only.

III. Capital Reduction, Etc.

1. Purpose of the Capital Reduction, Etc.

The Capital Reduction, Etc. will be conducted in order to secure the distributable amounts to implement the Share Repurchase, and on condition that payment for the Capital Increase through Third-Party Allotment is made.

While the Capital Reduction, Etc. requires approval by a resolution of a shareholders meeting, upon the effectuation of the Share Consolidation on February 28, 2023, the Company intends to obtain the written consent of the Scheduled Allottee and Hitachi, being the Company's shareholders at that time, for the resolution of the shareholders meeting, and deem that the shareholders meeting has been held based on Article 319, Paragraph 1 of the Companies Act; accordingly, for the Capital Reduction, Etc., the Company shall not hold a shareholders meeting constituted by those who are the Company's shareholders before the effectuation of the Share Consolidation.

2. Details of the Capital Reduction, Etc.

Pursuant to Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act, the Company will reduce the amount of stated capital, capital reserves and retained earnings reserves, and transfer the amount of reductions in stated capital and capital reserves in full to "other capital surplus," and the amount of reduction in retained earnings reserves in full to "earned surplus carried forward," respectively. There will be no material change in the consolidated net assets of the Scheduled Allottee Parent at the top as a result of implementation of the Capital Reduction, Etc., and the Share Repurchase.

(1) Reduction in the Amount of Stated Capital

(i) Amount of Stated Capital to Be Reduced

The amount of stated capital after the Capital Increase through Third-Party Allotment (85,402,892,578 yen) will be reduced by 85,092,892,578 yen to 310,000,000 yen.

(ii) Amount of Surplus to Be Increased

Other capital surplus 85,092,892,578 yen

(2) Reduction in the Amount of Capital Reserves

(i) Amount of Capital Reserves to Be Reduced

The amount of capital reserves after the Capital Increase through Third-Party Allotment (82,024,713,629 yen) will be reduced by 82,024,713,629 yen to 0 yen.

(ii) Amount of Surplus to Be Increased

Other capital surplus 82,024,713,629 yen

(3) Reduction in the Amount of Retained Earnings Reserves

(i) Amount of Retained Earnings Reserves to Be Reduced

The amount of retained earnings reserves (4,200,723,144 yen) will be reduced by 4,200,723,144 yen to 0 yen.

(ii) Amount of Surplus to Be Increased

Earned surplus carried forward 4,200,723,144 yen

3. Schedule of the Capital Reduction, Etc.

[1]	Date of resolution by board of directors	Wednesday, January 25, 2023
[2]	Public notice on creditors' objections	Wednesday, February 1, 2023 (planned)

[3]	Final due date for creditors' objections	Tuesday, February 28, 2023 (planned)
[4]	Date of resolution by shareholders meeting	Tuesday, February 28, 2023 (planned)
[5]	Effectuation date	Wednesday, March 1, 2023 (planned)

4. Future Outlook

The Capital Reduction, Etc. has no impact on the business results of the Company.

End

Exhibit 1

Conditions of Issuance of Class A Shares

1. Class of shares to be offered

Class A shares

2. Number of shares to be offered

One (1) share

3. Payment amount for shares to be offered

10,000,000,000 yen per share

4. Total payment amount

10,000,000,000 yen
Entire Claim for Compensation (Target Company) (which shall have the meaning defined in the Four-Party Agreement) of 10,000,000,000 yen that HTSK Co., Ltd. holds against the Company pursuant to the Four-Party Agreement dated October 27, 2022, between the Company, HTSK Co., Ltd., Hitachi, Ltd., and HTSK Holdings Co., Ltd. (value: 10,000,000,000 yen).

5. Matters regarding stated capital and capital reserves to be increased

Stated capital to be increased: 5,000,000,000 yen
Capital reserves to be increased: 5,000,000,000 yen

6. Method of allotment

One (1) Class A share will be allotted to HTSK Co., Ltd. through third-party allotment.

7. Performance date

March 1, 2023

8. Distribution of residual assets

(1) When the Company distributes residual assets, it shall pay to shareholders holding Class B shares or registered share pledgees of Class B shares (collectively, "Class B Shareholders, Etc.") the per Class B share payment amount per Class B share (however, in the event of a share split, share consolidation, or other event similar thereto with respect to Class B shares, to be appropriately adjusted according to the ratio) (the "Class B Residual Asset Distribution Amount") in preference to shareholders holding Class A shares ("Class A Shareholders") or registered share pledgees of Class A shares (collectively, "Class A Shareholders, Etc.") and shareholders holding common shares or registered share pledgees of common shares ("Common Shareholders, Etc.").

(2) If there are still residual assets after the Class B Residual Asset Distribution Amount is fully paid to Class B Shareholders, Etc., the Company shall pay to Class A Shareholders, Etc. the per Class A share payment amount per Class A share (however, in the event of a share split, share consolidation, or other event similar thereto with respect to Class A shares, to be appropriately adjusted according to the ratio) in preference to Common Shareholders, Etc.

(3) The Company shall not distribute residual assets to Class B Shareholders, Etc. or Class A Shareholders, Etc. other than those prescribed in the preceding two paragraphs.

(4) Any fraction less than one (1) yen in the sum of the amount of residual assets to be paid to Common Shareholders, Etc., Class A Shareholders, Etc., and Class B Shareholders, Etc. pursuant to this article shall be rounded off.

9. Restriction on share transfer

(1) In order to transfer or acquire shares of the Company, a shareholder or acquirer must obtain the approval of a shareholders meeting.

(2) Notwithstanding the preceding paragraph, acquisition of shares by transfer to a security interest holder or its subsidiary/affiliate, or a third party designated by the security interest holder, in association with exercise of the security interest on the shares (including exercise through statutory procedures, as well as exercise through voluntary sale or accord and satisfaction without following statutory procedures) shall be deemed to have obtained the approval of the Company.

10. Voting rights

Class A Shareholders shall have no voting rights at shareholders meetings of the Company.

11. Class shareholders meeting

(1) If the Company engages in any of the acts listed in the items of Article 322, Paragraph 1 of the Companies Act, no resolution of a class shareholders meeting constituted by Class A Shareholders shall be required, except where amendments to the Articles of Incorporation under item (i) of said paragraph (excluding the amendment to the provision regarding a share unit) is made.

(2) If the Company issues shares for subscription or share options for subscription, no resolution of a class shareholders meeting constituted by Class A Shareholders under Article 199, Paragraph 4 and Article 238, Paragraph 4 of the Companies Act shall be required.

End

Exhibit 2

Conditions of Issuance of Class B Shares

1. Class of shares to be offered

   Class B shares

2. Number of shares to be offered

   One (1) share

3. Payment amount for shares to be offered

   127,200,000,000 yen per share

4. Total payment amount

   127,200,000,000 yen

5. Matters regarding stated capital and capital reserves to be increased

   Stated capital to be increased: 63,600,000,000 yen
   Capital reserves to be increased: 63,600,000,000 yen

6. Method of allotment

   One (1) Class B share will be allotted to HTSK Co., Ltd. through third-party allotment.

7. Payment date

   March 1, 2023

8. Distribution of residual assets

   (1) When the Company distributes residual assets, it shall pay to shareholders holding Class B shares ("Class B Shareholders") or registered share pledgees of Class B shares (collectively, "Class B Shareholders, Etc.") the per Class B share payment amount per Class B share (however, in the event of a share split, share consolidation, or other event similar thereto with respect to Class B shares, to be appropriately adjusted according to the ratio) (the "Class B Residual Asset Distribution Amount") in preference to shareholders holding Class A shares or registered share pledgees of Class A shares (collectively, "Class A Shareholders, Etc.") and shareholders holding common shares or registered share pledgees of common shares ("Common Shareholders, Etc.").

   (2) If there are still residual assets after the Class B Residual Asset Distribution Amount is fully paid to Class B Shareholders, Etc., the Company shall pay to Class A Shareholders, Etc. the per Class A share payment amount per Class A share (however, in the event of a share split, share consolidation, or other event similar thereto with respect to Class A

shares, to be appropriately adjusted according to the ratio) in preference to Common Shareholders, Etc.

(3) The Company shall not distribute residual assets to Class B Shareholders, Etc. or Class A Shareholders, Etc. other than those prescribed in the preceding two paragraphs.

(4) Any fraction less than one (1) yen in the sum of the amount of residual assets to be paid to Common Shareholders, Etc., Class A Shareholders, Etc., and Class B Shareholders, Etc. pursuant to this article shall be rounded off.

9. Restriction on share transfer

(1) In order to transfer or acquire shares of the Company, a shareholder or acquirer must obtain the approval of a shareholders meeting.

(2) Notwithstanding the preceding paragraph, acquisition of shares by transfer to a security interest holder or its subsidiary/affiliate, or a third party designated by the security interest holder, in association with exercise of the security interest on the shares (including exercise through statutory procedures, as well as exercise through voluntary sale or accord and satisfaction without following statutory procedures) shall be deemed to have obtained the approval of the Company.

10. Voting rights

Class B Shareholders shall have no voting rights at shareholders meetings of the Company.

11. Class shareholders meeting

(1) If the Company engages in any of the acts listed in the items of Article 322, Paragraph 1 of the Companies Act, no resolution of a class shareholders meeting constituted by Class B Shareholders shall be required, except where amendments to the Articles of Incorporation under item (i) of said paragraph (excluding the amendment to the provision regarding a share unit) is made.

(2) If the Company issues shares for subscription or share options for subscription, no resolution of a class shareholders meeting constituted by Class B Shareholders under Article 199, Paragraph 4 and Article 238, Paragraph 4 of the Companies Act shall be required.

End

Exhibit 3

Proposed Amendment to the Articles of Incorporation

(The underlined portions indicate amendments.)

Before amendment	After amendment
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 (Trade Name) The name of the Company shall be Kabushiki Kaisha Hitachi Butsuryu, which shall be expressed in English as Hitachi Transport System, Ltd.	Article 1 (Trade Name) The name of the Company shall be Logisteed Kabushiki Kaisha, which shall be expressed in English as LOGISTEED, Ltd.
Article 2 (Purpose) The purpose of the Company shall be to engage in the following businesses: 1.-15. (Provisions omitted) 16. travel mediation business; 17.-21. (Provisions omitted) 22. management of off-street parking lots and driving schools; 23.-27. (Provisions omitted)	Article 2 (Purpose) The purpose of the Company shall be to engage in the following businesses: 1.-15. (remain unchanged) (Deleted) 16.-20. (remain unchanged) 21. management of off-street parking lots; 22.-26. (remain unchanged)
Article 3 (Company with Nominating Committee, Etc.) The Company shall establish the Board of Directors, Nominating Committee, Etc. (meaning the Nominating Committee, Audit Committee, and Compensation Committee; hereinafter the same shall apply), Financial Auditors, and Executive Officers.	Article 3 (Organs) The Company shall establish the Shareholders Meeting and Directors, as well as the Board of Directors, Company Auditors, and Financial Auditors.
Article 4-Article 5 (Provision omitted)	Article 4-Article 5 (remain unchanged)
Chapter 2 Shares	Chapter 2 Shares
Article 6 (Total Number of Shares Authorized to Be Issued) The total number of shares authorized to be issued by the Company shall be 68 shares.	Article 6 (Total Number of Shares Authorized to Be Issued) The total number of shares authorized to be issued by the Company shall be 70 shares, the total number of class shares authorized to be issued of common shares shall be 68 shares, the total number of class shares authorized to be issued of Class A shares shall be 1 shares, and the total number of class shares authorized to be issued of Class B shares shall be 1 shares.
(Newly established)	Article 7 (Issuing of Share Certificate) The Company shall issue share certificates for shares.
(Newly established)	Article 8 (Restriction on Transfer)

	1. In order to transfer or acquire shares of the Company, a shareholder or acquirer must obtain the approval of a Shareholders Meeting. 2. Notwithstanding the preceding paragraph, acquisition of shares by transfer to a security interest holder or its subsidiary/affiliate, or a third party designated by the security interest holder, in association with exercise of the security interest on the shares (including exercise through statutory procedures, as well as exercise through voluntary sale or accord and satisfaction without following statutory procedures) shall be deemed to have obtained the approval of the Company.
(Newly established)	Article 9 (Acquisition of Treasury Shares) If the Company makes a decision under Article 160, Paragraph 1 of the Companies Act in connection with acquisition of common shares, Class A shares, and Class B shares, Paragraphs 2 and 3 of the article shall not apply.
Article 7 (Provisions omitted)	Article 10 (remain unchanged)
Article 8 (Rules and Regulations for Share Handling) Handling of the exercise of rights of shareholders of the Company, other handling of shares and share options of the Company, and fees therefor shall be subject to the Rules and Regulations for Share Handling established by the Executive Officer(s) delegated by the Board of Directors in addition to the provisions of laws and regulations or these Articles of Incorporation.	Article 11 (Rules and Regulations for Share Handling) Handling of the exercise of rights of shareholders of the Company, other handling of shares and share options of the Company, and fees therefor shall be subject to the Rules and Regulations for Share Handling established by the Board of Directors in addition to the provisions of laws and regulations or these Articles of Incorporation.
(Newly established)	Chapter 2-2 Class Shares
(Newly established)	Article 11-2 (Voting Rights) Shareholders holding Class A shares (“Class A Shareholders”) and shareholders holding Class B shares (“Class B Shareholders”) shall have no voting rights at Shareholders Meetings of the Company.
(Newly established)	Article 11-3 (Matters to Be Resolved at Class Shareholders Meetings) 1. If the Company engages in any of the acts listed in the items of Article 322, Paragraph 1 of the Companies Act, neither a resolution of a Class Shareholders Meeting constituted by Class A Shareholders nor a resolution of a Class

	Shareholders Meeting constituted by Class B Shareholders shall be required, except where amendments to the Articles of Incorporation under item (i) of said paragraph (excluding the amendment to the provision regarding a share unit) is made. 2. If the Company issues shares for subscription or share options for subscription, neither a resolution of a Class Shareholders Meeting constituted by Class A Shareholders nor a resolution of a Class Shareholders Meeting constituted by Class B Shareholders under Article 199, Paragraph 4 and Article 238, Paragraph 4 of the Companies Act shall be required. Article 11-4 (Distribution of Residual Assets) 1. When the Company distributes residual assets, it shall pay to Class B Shareholders or registered share pledgees of Class B shares (collectively, "Class B Shareholders, Etc.") the per Class B share payment amount per Class B share (however, in the event of a share split, share consolidation, or other event similar thereto with respect to Class B shares, to be appropriately adjusted according to the ratio) (the "Class B Residual Asset Distribution Amount") in preference to Class A Shareholders or registered share pledgees of Class A shares (collectively, "Class A Shareholders, Etc.") and shareholders holding common shares or registered share pledgees of common shares ("Common Shareholders, Etc."). 2. If there are still residual assets after the Class B Residual Asset Distribution Amount is fully paid to Class B Shareholders, Etc., the Company shall pay to Class A Shareholders, Etc. the per Class A share payment amount per Class A share (however, in the event of a share split, share consolidation, or other event similar thereto with respect to Class A shares, to be appropriately adjusted according to the ratio) in preference to Common Shareholders, Etc. 3. The Company shall not distribute residual assets to Class B Shareholders, Etc. or Class A Shareholders, Etc. other than those prescribed in the preceding two paragraphs. 4. Any fraction less than one (1) yen in the sum of the amount of residual assets to be paid to Common Shareholders, Etc., Class A Shareholders, Etc., and Class B
(Newly established)	

	Shareholders, Etc. pursuant to this article shall be rounded off.
Chapter 3 Organs Section 1 Shareholders Meeting	Chapter 3 Organs Section 1 Shareholders Meeting
Article 9 (Provisions omitted)	Article 12 (remain unchanged)
Article 10 (Chairpersonship) Shareholders Meetings shall be chaired by the President and Chief Executive Officer. When the President and Chief Executive Officer is unable to do so, another Director shall act in his/her place in the order of priority prescribed in advance by resolution of the Board of Directors.	Article 13 (Chairpersonship) Shareholders Meetings shall be chaired by the President of the Board. When the President of the Board is unable to do so, another Director shall act in his/her place in the order of priority prescribed in advance by resolution of the Board of Directors.
Article 11 (Internet Disclosure of Shareholders Meeting Reference Documents, Etc.) The Company may be deemed to have provided the information pertaining to the matters to be stated or presented in the shareholders meeting reference documents, financial statements, consolidated financial statements (including audit reports and financial audit reports pertaining to the consolidated financial statements), and business reports to the shareholders by publishing them on the Internet websites as required by laws and regulations.	(Deleted)
Article 12 (Voting by Proxy) Shareholders may appoint a single proxy to exercise their voting rights by proxy; provided, however, that proxies must be shareholders of the Company entitled to exercise their voting rights. In the case of proxy vote pursuant to the preceding paragraph, documents certifying such proxy shall be submitted in advance to the Company.	Article 14 (Voting by Proxy) Shareholders may appoint a single proxy to exercise their voting rights by proxy. Such shareholders or proxies must submit documents certifying such proxy in advance to the Company for each Shareholders Meeting.
Article 13 (Method of Passing a Resolution) Unless otherwise provided by laws and regulations or these Articles of Incorporation, resolutions at a Shareholders Meeting shall be passed by a majority of the voting rights of the shareholders who attend the meeting and are entitled to exercise their voting rights. Any resolution at a Shareholders Meeting set forth in Article 309, Paragraph 2 of the Companies Act shall be passed by two thirds or more of the voting rights of the shareholders where the shareholders holding one third or more of the voting rights of the shareholders	Article 15 (Method of Passing a Resolution) 1. Unless otherwise provided by laws and regulations or these Articles of Incorporation, resolutions at a Shareholders Meeting shall be passed by a majority of the voting rights of the shareholders who attend the meeting and are entitled to exercise their voting rights. 2. Any resolution at a Shareholders Meeting set forth in Article 309, Paragraph 2 of the Companies Act shall be passed by two thirds or more of the voting rights of the shareholders where the shareholders holding one third or more of the voting

entitled to exercise their voting rights attend the meeting.	rights of the shareholders entitled to exercise their voting rights attend the meeting.
(Newly established)	Article 15-2 (Class Shareholders Meeting) 1. Article 12 shall apply *mutatis mutandis* to a Class Shareholders Meeting held on the same date of an Annual Shareholders Meeting. 2. Article 13, Article 14, and Article 15, paragraph 1 shall apply *mutatis mutandis* to Class Shareholders Meetings. 3. Article 15, paragraph 2 shall apply *mutatis mutandis* to a resolution at a Class Shareholders Meeting under Article 324, Paragraph 2 of the Companies Act.
Section 2 Directors, Board of Directors, and Nominating Committee, Etc.	Section 2 Directors and Board of Directors
Article 14 (Number of Directors) The Company shall have not more than ten (10) Directors.	Article 16 (Number of Directors) The Company shall have not more than eleven (11) Directors.
Article 15 (Election of Directors) Resolutions for election of Directors shall require that shareholders holding one third or more of the voting rights of the shareholders entitled to exercise their voting rights attend the Shareholders Meeting. No cumulative voting shall be used for the resolution in the preceding paragraph.	Article 17 (Election of Directors) 1. Resolutions for election of Directors shall require that shareholders holding one third or more of the voting rights of the shareholders entitled to exercise their voting rights attend the Shareholders Meeting. 2. No cumulative voting shall be used for the resolution in the preceding paragraph.
Article 16 (Provision omitted)	Article 18 (remain unchanged)
Article 17 (Chairperson of the Board) The Board of Directors may elect a Director to act as Chairperson of the Board by resolution of the Board of Directors.	Article 19 (Representative Directors) The Company shall elect two (2) Representative Directors by resolution of the Board of Directors.
(Newly established)	Article 20 (Directors with Special Title) The Company may elect one (1) Chairperson of the Board and one (1) President of the Board by resolution of the Board of Directors; provided, however, that the Chairperson of the Board and the President of the Board must be the Representative Directors.
Article 18 (Convocation of Board of Directors Meetings) Convocation notice of meetings of the Board of Directors shall be dispatched to each Director at least one (1) week prior to the date of each meeting; provided, however, that in the event of	Article 21 (Convocation of Board of Directors Meetings) Convocation notice of meetings of the Board of Directors shall be dispatched to each Director and Company Auditor at least one (1) week prior to the date of each meeting; provided, however,

emergency, such period may be shortened and the notice may be dispatched at least one (1) day prior to the date of each meeting.	that in the event of emergency, such period may be shortened and the notice may be dispatched at least one (1) day prior to the date of each meeting.
Article 19 (Omission of Resolution of Board of Directors) If any matter that is required to be resolved by the Board of Directors is proposed, such proposal shall be deemed to have been adopted by the Board of Directors if all of the Directors who are entitled to exercise their voting rights with respect to such proposal have approved the same in writing or in electronic form.	Article 22 (Omission of Resolution of Board of Directors) If any matter that is required to be resolved by the Board of Directors is proposed, such proposal shall be deemed to have been adopted by the Board of Directors if all of the Directors who are entitled to exercise their voting rights with respect to such proposal have approved the same in writing or in electronic form, unless a Company Auditor states objections to the proposal.
Article 20 (Exemption from Liability of Directors) The Company may, by resolution of the Board of Directors, exempt Directors (including any former Directors) from their liability under Article 423, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations. The Company may execute an agreement with Directors (excluding Executive Directors, etc.) to limit their liability under Article 423, Paragraph 1 of the Companies Act up to the sum of the amounts under the items of Article 425, Paragraph 1 of the Companies Act.	Article 23 (Exemption from Liability of Directors) 1. The Company may, by resolution of the Board of Directors, exempt Directors (including any former Directors) from their liability under Article 423, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations. 2. The Company may execute an agreement with Directors (excluding Executive Directors, etc.) to limit their liability under Article 423, Paragraph 1 of the Companies Act up to the sum of the amounts under the items of Article 425, Paragraph 1 of the Companies Act.
Article 21 (Provisions omitted)	Article 24 (remain unchanged)
Article 22 (Rules of Committees) Any matters concerning Nominating Committee, Etc. shall be subject to the rules established by each Committee in addition to laws and regulations, these Articles of Incorporation, or those established by the Board of Directors.	(Deleted)
Section 3 Executive Officers	(Deleted)
Article 23 (Number of Executive Officers) The Company shall have not more than 20 Executive Officers by resolution of the Board of Directors.	(Deleted)
Article 24 (Term of Office of Executive Officers) The term of office of an Executive Officer shall end at the last day of the fiscal year ending	(Deleted)

within one (1) year after election of such Executive Officer. Article 25 (President and Chief Executive Officer) The Board of Directors shall by its resolution elect one (1) President and Chief Executive Officer; provided; however, that the President and Chief Executive Officer shall be a Representative Executive Officer. Article 26 (Exemption from Liability of Executive Officers) The Company may, by resolution of the Board of Directors, exempt Executive Officers (including any former Executive Officers) from their liability under Article 423, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations.	(Deleted) (Deleted)
(Newly established) (Newly established) (Newly established) (Newly established) (Newly established)	Section 3 Company Auditors Article 25 (Number of Company Auditors) The Company shall have not more than four (4) Company Auditors. Article 26 (Election of Company Auditors) Resolutions for election of Company Auditors shall require that shareholders holding one third or more of the voting rights of the shareholders entitled to exercise their voting rights attend the Shareholders Meeting. Article 27 (Term of Office of Company Auditors) The term of office of a Company Auditor shall end at the time of the closing of the Annual Shareholders Meeting for the last fiscal year ending within four (4) years after election of such Company Auditor; provided, however that the term of office of a Company Auditor elected as a substitute for a Company Auditor who retired from office before the expiration of the term of office shall end at the expiration of the term of office of the Company Auditor who retired from office expires. Article 28 (Exemption from Liability of Company Auditors) 1. The Company may, by resolution of the Board of Directors, exempt Company Auditors (including any former Company Auditors) from their liability under Article 423, Paragraph 1 of the Companies

	Act to the extent permitted by laws and regulations. 2. The Company may execute an agreement with Company Auditors to limit their liability under Article 423, Paragraph 1 of the Companies Act up to the sum of the amounts under the items of Article 425, Paragraph 1 of the Companies Act.
Section 4 Counselors	Section 4 Counselors
Article 27 (Provisions omitted)	Article 29 (remain unchanged)
Chapter 4 Accounting	Chapter 4 Accounting
Article 28 (Provisions omitted)	Article 30 (remain unchanged)
Article 29 (Dividend of Surplus and Acquisition of Treasury Shares) Unless otherwise specified in laws and regulations, the Company may determine the matters listed in the items of Article 459, Paragraph 1 of the Companies Act by resolution of the Board of Directors without a resolution at a Shareholders Meeting.	(Deleted)
Article 30 (Record Date, etc. for Dividend of Surplus) The Company shall pay dividends of surplus to its shareholders or registered share pledgees as of March 31 or September 30 of each year. In addition to the case prescribed in the preceding paragraph, the Company may fix a record date to pay dividends of surplus. If a dividend of surplus is not received within three (3) full years from the date of commencement of payment, the Company may be exempt from the payment obligation.	Article 31 (Record Date, etc. for Dividend of Surplus) 1. The Company shall pay dividends of surplus to its shareholders or registered share pledgees as of March 31 or September 30 of each year. 2. In addition to the case prescribed in the preceding paragraph, the Company may fix a record date to pay dividends of surplus. 3. If a dividend of surplus is not received within three (3) full years from the date of commencement of payment, the Company may be exempt from the payment obligation.