

October 13 , 2006

Name of Company	Asahi Tec Corporation
Representative	Akira Nakamura, President and CEO Code No.: 5606 Tokyo Stock Exchange 1st Section
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Revision to “Announcement of issuance of Stock (Common Stock and Class C Preferred Stock) by means of third party allotment”

As Asahi Tec Corporation (hereinafter the “Company”) announces in our press release “Announcement on Partial Amendment to the Articles of Incorporation” as the date hereof, the Board passed a resolution of the slight revision to the proposed amendment to the articles of incorporation in light of clarifying some of the context thereof. Since this revision results in minor changes in the description of our press release “Announcement of issuance of Stock (Common Stock and Class C Preferred Stock) by means of third party allotment” as of September 1, 2006, the Company hereby announces such changes as described below. The preferred stocks to be allotted by means of a third party allotment will be new class of stocks, and the issuance is subject to an approval at a general shareholders meeting and each classified shareholders meeting to be held at a later stage.

Particulars

(Amendments are represented by shade)

[After Amendment]

2. Terms and Conditions of Issuance of Class C Preferred Stock

(10) Dividends on New Preferred Stock:

- (a) The holders of the New Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors (the “**Board of Directors**”) or shareholders of the Company, out of the funds of the Company legally available therefor pursuant to the Corporation Law of Japan (the “Legally Available Funds”), cumulative dividends on each share of New Preferred Stock for each Quarterly Dividend Period (as

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hereinafter defined) equal to (i) the Liquidation Preference (as defined in the section (11) below) of each such share multiplied by a rate (with respect to the New Preferred Stock, the “Quarterly Dividend Rate”) equal to 1.75% per annum (if Default Dividend Rate is applicable, the applicable Default Dividend Rate shall be added), (ii) any accrued and unpaid dividend that should have been paid with respect to any Quarterly Dividend Period prior to the relevant Quarterly Dividend Period, plus, (iii) Additional Dividends (as hereinafter defined), within 45 days after the end of such Quarterly Dividend Period. For the first Quarterly Dividend Period, such dividends shall be deemed to be cumulative from January 1, 2006, through the end of the first Quarterly Dividend Period following the date of the original issue of such New Preferred Stock. Thereafter, such dividends shall be cumulative from the initial day of the following Quarterly Dividend Period. Accrued and unpaid dividends on the New Preferred Stock shall accrue additional dividends in respect thereof (“Additional Dividends”), compounded quarterly, at the Quarterly Dividend Rate plus 2.00% per annum (and including any Default Dividend Rate, if applicable). Each such dividend, when, as and if declared by the Company’s Board of Directors or shareholders, shall be paid to the holders of record of shares of New Preferred Stock or to the registered share pledgees of the New Preferred Stocks (hereinafter referred to as “New Preferred Registered Share Pledgees”) as they appear on the stock register of the Company as of the last date of the Quarterly Dividend Period immediately preceding the date on which such dividend is paid.

- (b) The dividends (including Additional Dividends) payable on the New Preferred Stock shall be computed on the basis of a 360-day year of twelve 30-day months. For the avoidance of doubt, calculation on any dividend (including Additional Dividends) for any period less than a full Quarterly Dividend Period shall start its count from the initial day of such Quarterly Dividend Period.
- (c) “Quarterly Dividend Period” means, with respect to the New Preferred Stock, the period from January 1 through the next March 31, from April 1 through the next June 30, from July 1 through the next September 30, or from October 1 through the next December 31, as the case may be.
- (d) “Business Day” means, with respect to the New Preferred Stock, any day other than a Saturday, a Sunday or any day on which banking institutions in Japan or the Tokyo Stock Exchange is closed.

(11) Distribution of Residual Assets

In the event of any liquidation, dissolution, or winding up of the affairs of the Company, whether voluntary or otherwise, after payment or provision for payment of the debts, the liquidation preference on any Senior Securities and other liabilities of the Company, the holders of the New Preferred Stock or New Preferred Registered Share Pledgees shall be entitled to receive, out of the remaining net

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assets of the Company, the amount of JPY100,000 in cash for each share of New Preferred Stock (the “Liquidation Preference”), plus an amount equal to all dividends (including Additional Dividends) accrued and unpaid on each such share up to the date fixed for distribution, before any distribution shall be made to the holders of the Common Stock or any other stock ranking (as to any such distribution) junior to the New Preferred Stock or the registered share pledges thereof. If, upon any liquidation, dissolution or winding up of the Company, the assets distributable among the holders of any New Preferred Stock and any Parity Securities shall be insufficient to permit the payment in full to the holders of all such series of New Preferred Stock of all preferential amounts payable to all such holders, then subject to subsection (10)(a), the entire assets of the Company thus distributable shall be distributed ratably among the holders of all New Preferred Stock and Parity Securities in proportion to the respective amounts that would be payable per share if such assets were sufficient to permit payment in full. Except as otherwise provided herein, holders of New Preferred Stock shall not be entitled to any distribution in the event of liquidation, dissolution or winding up of the affairs of the Company. For the purposes of this subsection 6, neither the voluntary sale, lease, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all the property or assets of the Company, nor the consolidation or merger of the Company with one or more other corporations, shall be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, unless such voluntary sale, lease, conveyance, exchange or transfer shall be in connection with a plan of liquidation, dissolution or winding up of the Company.

(12)Voting Rights:

- (a) The Holders of the New Preferred Stock shall not, except as required by law or as otherwise expressly set forth in this subsection (b) or herein, have any right or power to vote on any question or in any proceedings or to be represented at, or to receive notice of, any meeting of the Company’s stockholders. On any matters on which the holders of the New Preferred Stock shall be entitled to vote, they shall be entitled to vote for each share held.
- (b) The terms of the New Preferred Stock set forth herein shall not be amended without the vote of the holders of at least two-thirds of the outstanding shares of the New Preferred Stock.

(13)Stock Splits and Combination:

If any stock split or combination is implemented with respect to the New Preferred Stock, or any new shares of the New Preferred Stock are issued by granting the shareholders of the New Preferred Stock with the right to assume the

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allotment of the shares offered for subscription, and as a result thereof it is required to adjust the amount of the dividends, the Conversion Price, or the Liquidation Preference of the New Preferred Stock, then such adjustment shall be made to the amount determined appropriate by the Board of Directors in light of the terms thereof.

(14) Conversion at the option of the holder:

- (a) Each holder of New Preferred Stock shall have the right, at any time, at its option, to convert, subject to the terms and provisions of this section (14), any or all of such holder's shares of New Preferred Stock into a number of fully paid and nonassessable shares of Common Stock (excluding fractional shares of Common Stock) determined by dividing (i) the aggregate amount of the Liquidation Preference of, and accrued and unpaid dividends (including Additional Dividends) on, the number of whole shares of New Preferred Stock which such holder elects to convert by (ii) the Conversion Price then in effect.

For purpose of the calculation of the number of shares to be delivered, any fractional share less than one whole share shall be rounded down.

- (b) In the event of any reclassification of outstanding shares of Common Stock, or in the event of any consolidation or merger of the Company with or into another Person or any merger of another Person with or into the Company (other than a consolidation or merger in which the Company is the resulting or surviving Person and which does not result in any reclassification or change of outstanding Common Stock), or in the event of any sale or other disposition to another Person of all or substantially all of the assets of the Company (computed on a consolidated basis) (any of the foregoing, a "Transaction"), each share of New Preferred Stock then outstanding shall, without the consent of any holder of New Preferred Stock, become convertible at any time, at the option of the holder thereof, only into the kind and amount of securities (of the Company or another issuer), cash and other property receivable upon such Transaction by a holder of the number of shares of Common Stock into which such share of New Preferred Stock could have been converted immediately prior to such Transaction. The provisions of this subsection (14) (b) and any equivalent thereof in any such securities similarly shall apply to successive Transactions. The provisions of this subsection (14) (b) shall be the sole rights of holders of New Preferred Stock in connection with any Transaction and such holders shall have no separate vote thereon, except in each case if or to the extent set forth in subsection (12) above or otherwise separately agreed in writing by the Company and a holder of the New Preferred Stock (including any agreement that may have been entered into before issuance of the New Preferred Stock).

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- (c) The “Conversion Price” means the conversion price for the conversion of New Preferred Stock in exchange for Common Stock based on the option of the holders of New Preferred Stock. It shall be 150% (rounded down to the nearest yen) of the average closing sale price of Common Stock on the Tokyo Stock Exchange for the ten consecutive Business Day period on the last Business Day on which Common Stock traded immediately prior to the Issue Date with respect to the first issue of the shares of the New Preferred Stock and subject to the anti-dilution adjustment stipulated this subsection (14)(e).
- (d) If any fraction of a share of Common Stock would be deliverable, except for the provisions hereof or as limited by law, upon conversion of shares of New Preferred Stock, the Company shall pay an amount equal to the market value (as defined under Article 167, Paragraph 3, Item 1 of Japanese Corporation Law) of a share of Common Stock as of the date of such conversion multiplied by such fraction of a share of Common Stock.
- (e) ANTI-DILUTION ADJUSTMENTS. (I) The Conversion Price shall be subject to the following adjustments from time to time:
- (i) Stock Allocation without Consideration. In case the Company shall, by the resolution of the Board of Directors or shareholders, allocate the shares of the Common Stock to the holders of the shares of the Common Stock without consideration (other than any stock split referred to in subsection (14) (e)(I)(iii)), the Conversion Price, as in effect at the opening of business on the day following the date fixed for the determination of stockholders of the Company entitled to receive such allocation (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution) shall be adjusted by multiplying such Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution) and the denominator shall be the sum of such number of shares and the total number of shares constituting such allocation, such adjustment to become effective immediately after the opening of business on the day following the date fixed for such determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution).
- (ii) Stock Acquisition Rights. In case the Company shall issue to all holders of Common Stock stock acquisition rights, options, warrants or other rights, entitling them to subscribe for or purchase shares of

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Common Stock, by the resolution of the Board of Directors or shareholders, at a price per share of Common Stock less than the average closing sale price of the Common Stock for a ten consecutive Business Day period on the Tokyo Stock Exchange (or if the Common Stock is not listed on the Tokyo Stock Exchange, such other securities exchange or automated quotation system on which the Common Stock is then listed or authorized for quotation or, if the Common Stock is not so listed or authorized for quotation, an amount determined in good faith by the Board of Directors or shareholders to be the fair value of the Common Stock) ending immediately prior to the date of determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution), (such average closing sale price, the “Market Value”) on the date fixed for the determination of stockholders of the Company entitled to receive such stock acquisition rights, options, warrants or other rights (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution), (other than pursuant to a dividend reinvestment, share purchase or similar plan or any other cases stipulated in this subsection (14) (e) (III)), the Conversion Price in effect at the opening of business on the day following the date fixed for such determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution) shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution) plus the number of shares of Common Stock which the aggregate consideration expected to be received by the Company upon the exercise, conversion or exchange of such stock acquisition rights, options, warrants or other rights (as determined in good faith by the Board of Directors or shareholders, whose determination shall be conclusive and described in a board resolution) would purchase at such Market Value and the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution) plus the number of shares of Common Stock so offered for subscription or purchase, either directly or indirectly, such adjustment to become effective immediately after the opening of business on the day following the date fixed for such determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of

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such resolution); provided, however, that no such adjustment to the Conversion Price shall be made if the holders of New Preferred Stock would be entitled to receive such stock acquisition rights, options, warrants or other rights upon conversion at any time of shares of New Preferred Stock into Common Stock; provided, further, however, that if any of the foregoing stock acquisition rights, options, warrants or other rights are only exercisable upon the occurrence of a triggering event, then the Conversion Price will not be adjusted until such triggering event occurs.

- (iii) Stock Splits and Combinations. In case outstanding shares of Common Stock shall be split into a greater number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the day upon which such split becomes effective shall be proportionately reduced, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such split or combination becomes effective.
- (iv) Debt, Asset or Security Distributions. (A) In case the Company shall, by dividend or otherwise, distribute to all holders of Common Stock evidences of its indebtedness, assets or securities (but excluding any stock acquisition rights, options, warrants or other rights referred to in this section (14) (e) (I) (ii), any dividend or distribution paid exclusively in cash referred to in this section (14) (e)(I)(v) and any dividend, shares of Capital Stock of any class or series, or similar equity interests, of or relating to a subsidiary or other business unit in the case of a Spin-off referred to in the next subparagraph, or any allocation of Common Stock referred to in this section (14) (e)(I) (i)) by the resolution of the shareholders at a shareholders meeting or the Board of Directors, the Conversion Price shall be reduced by multiplying the Conversion Price in effect immediately prior to the close of business on the date fixed for the determination of stockholders of the Company entitled to receive such distribution (or if the resolution of the shareholders at a shareholders meeting or the Board of Directors is later than such record date, the date of such resolution) by a fraction, the numerator of which shall be the Market Value on the date fixed for such determination (or if the resolution of the shareholders at shareholders

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meeting or the Board of Directors is later than such record date, the date of such resolution) and the denominator of which shall be such Market Value plus the fair market value (as determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a board resolution) of the portion of the assets or evidences of indebtedness so distributed applicable to one share of Common Stock, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of stockholders of the Company entitled to receive such distribution (or if the resolution of the shareholders at a shareholders meeting or the Board of Directors is later than such record date, the date of such resolution). In any case in which this subparagraph (iv)(A) is applicable, subparagraph (iv)(B) of this subsection shall not be applicable.

(B) In the case of a spin-off by way of corporate split or distribution in kind of the Company assets to Company shareholders or otherwise, by resolution of the shareholders at a shareholders meeting or the Board of Directors, the Conversion Price in effect immediately before the close of business on the record date fixed for determination of stockholders of the Company entitled to receive that distribution (or if the resolution of the shareholders at a shareholders meeting or the Board of Directors with respect to such spin-off is later than such record date, the date of such resolution) will be reduced by multiplying the Conversion Price by a fraction, the numerator of which is the Market Value and the denominator of which is the Market Value plus the fair market value (which shall be the then current aggregate market value of the shares to be so distributed based on the closing trading price of the distributed shares immediately after the effective date of such distribution (or promptly after the closing thereof, if the closing date is different from the effective date of such distribution) if there is then a public market for such distributed shares or, if no such public market then (or at such time) exists, as determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a board resolution) of the portion of those shares of capital stock or similar equity interests so distributed applicable to one share of Common Stock. Any adjustment to the Conversion Price under this subparagraph (iv)(B) will occur on the date that is the earlier of (1) the 2 Business Day from, and including, the effective date of the spin-off and (2) the date of the initial public offering of the securities being distributed in the spin-off, if that initial public offering is effected simultaneously with the Spin-off.

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- (v) Cash Distributions. In case the Company shall, by dividend or otherwise, make distributions to all holders of Common Stock exclusively in cash (excluding any distribution consisting of cash and other assets which is provided for in this section (14) (e)(I) (iv)) by the resolution of the shareholders at a shareholders meeting or the Board of Directors immediately after the close of business on such date for determination (or if the resolution of the shareholders at a shareholders meeting or the Board of Directors is later than such record date, the date of such resolution), the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the close of business on the date fixed for determination of the stockholders of the Company entitled to receive such distribution (or if the resolution of the shareholders at a shareholders meeting or the Board of Directors is later than such record date, the date of such resolution) by a fraction, (A) the numerator of which shall be equal to the Market Value minus the amount per share of such dividend or distribution and (B) the denominator of which shall be equal to the Market Value.
- (vi) Tender Offers. In the case that a tender or exchange offer made by the Company for all or any portion of the Common Stock shall expire and such tender or exchange offer (as amended through the expiration thereof) shall require the payment to stockholders of the Company (based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of Purchased Shares (as defined below)) of an aggregate consideration having a fair market value (which shall be then current aggregate market value of any securities to be so distributed based on the closing trading price of such distributed securities immediately after the effective date of such distribution (or promptly after the closing thereof, if the closing date is different from the effective date of such distribution) if there is then a public market for such distributed securities or, if no such public market then (or at such time) exists, as determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a board resolution) per share of the Common Stock that exceeds the closing price of the Common Stock on the Business Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, then, immediately prior to the opening of business on the day after the date of the last time (the “Expiration Time”) tenders could have been made pursuant to such tender or exchange offer (as amended through the expiration thereof), the Conversion Price shall be reduced by multiplying the Conversion Price immediately prior to the close of business on the date of the Expiration Time by a fraction

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(A) the numerator of which shall be equal to the product of (x) the Market Value on the date of the Expiration Time and (y) the number of shares of Common Stock outstanding (including any tendered shares) on the date of the Expiration Time, and (B) the denominator of which shall be equal to (x) the product of (I) the Market Value on the date of the Expiration Time and (II) the number of shares of Common Stock outstanding (including any tendered shares) on the date of the Expiration Time less the number of all shares validly tendered, not withdrawn and accepted for payment on the date of the Expiration Time (such validly tendered shares, up to any such maximum, being referred to as the “Purchased Shares”) plus (y) the amount of cash plus the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders of the Company pursuant to the tender or exchange offer (assuming the acceptance, up to any maximum specified in the terms of the tender or exchange offer, of Purchased Shares).

(II) De Minimis Adjustments. Notwithstanding anything herein to the contrary, no adjustment under this section (14) need be made to the Conversion Price unless such adjustment would require an increase or decrease of at least 1.0 % of the Conversion Price then in effect. Any lesser adjustment shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, if any, which, together with any adjustment or adjustments so carried forward, shall result in an increase or decrease of at least 1.0% of such Conversion Price; provided, however, that the Company will make such adjustments no later than January 1 of each calendar year. All adjustments to the Conversion Price shall be calculated to the nearest yen.

(III) Exceptions to Adjustment. The applicable Conversion Price shall not be adjusted:

- (i) upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company’s securities and the investment of additional optional amounts in shares of Common Stock under any plan;
- (ii) upon the issuance of any shares of Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of its Subsidiaries;

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(iii) upon the issuance of any shares of Common Stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security outstanding as of the Issue Date; or

(iv) for accrued and unpaid dividends on the New Preferred Stock.

(15) Optional Redemption:

The Company by the resolution of the Board of Directors, can redeem all or a part of the New Preferred Stocks by cash notwithstanding of the intention of the holder of the New Preferred Stocks or the New Preferred Registered Share Pledges in accordance with the following provisions under this section. Such redemption shall be subject to the distributable funds.

- (a) Condition to the Optional Redemption: The average closing sale price of the common stock of the Company (the “Common Stock”) for a 20 consecutive Business Day period on the Tokyo Stock Exchange (or if the common stock is not listed on the Tokyo Stock Exchange, such other securities exchange or automated quotation system on which the Common Stock is then listed or authorized for quotation or, if the Common Stock is not so listed or authorized for quotation, an amount determined in good faith by the Board of Directors to be the fair value of the Common Stock) equals or exceeds 130% of the Conversion Price (as hereinafter defined)
- (b) Period for the optional redemption: From the third anniversary of the date of the first issuance of the New Preferred Stock (the “Issue Date”) to the 10th anniversary of the Issue Date
- (c) Redemption Price: 100% of the Liquidation Preference per share
- (d) Immediately prior to authorizing or making any such redemption with respect to the New Preferred Stock, the Company by resolution of the Board of Directors or shareholders shall, to the extent of any Legally Available Funds, declare a dividend on the New Preferred Stock payable on the redemption date in an amount equal to any accrued and unpaid dividends (including Additional Dividends) on the New Preferred Stock to the holders of shares of New Preferred Stock or New Preferred Registered Share Pledges as of such date. Notwithstanding the provisions of this section (15), unless the full cumulative dividends (including Additional Dividends) on all outstanding shares of New Preferred Stock shall have been paid or contemporaneously are declared and paid in cash for all past dividend periods, none of the shares of New Preferred Stock shall be redeemed.
- (e) Selection of Shares to be Redeemed. If less than all of the shares of New Preferred Stock are to be redeemed pursuant to this subsection (15), the Board of Directors of the Company shall redeem such shares on a pro rata basis from the holder(s) thereof.

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(16) Mandatory Redemption

- (a) The Company shall redeem, out of Legally Available Funds, on the Mandatory Redemption Date all then outstanding shares of New Preferred Stock at a cash redemption price of 100% of the Liquidation Preference to the holders of shares of New Preferred Stock or New Preferred Registered Share Pledges. Immediately prior to authorizing or making any such redemption with respect to the New Preferred Stock, the Company, by resolution of the Board of Directors or shareholders shall, to the extent of any Legally Available Funds, declare a dividend on the New Preferred Stock payable on the redemption date in an amount equal to any accrued and unpaid dividends (including Additional Dividends) on the New Preferred Stock to the holders of shares of New Preferred Stock or New Preferred Registered Share Pledges as of such date and, if the Company does not have sufficient Legally Available Funds to declare and pay all dividends (including Additional Dividends) accrued at the time of such redemption, any remaining accrued and unpaid dividends (including Additional Dividends) shall be added to the redemption price.
- (b) If the Company shall fail to discharge its obligation to redeem all of the outstanding shares of New Preferred Stock required to be redeemed pursuant to this section (16) (a) (the “Mandatory Redemption Obligation”) and a Conversion Trigger Event has not occurred, the Quarterly Dividend Rate shall be increased by the amount of the Default Dividend Rate, effective as of the first day following the Mandatory Redemption Date, until the date on which the Company is able to discharge fully such Mandatory Redemption Obligation.
- (c) Selection of Shares to be Redeemed. If less than all of the shares of New Preferred Stock are to be redeemed, the Board of Directors of the Company shall redeem such shares on a pro rata basis from the holder(s) thereof
- (d) “Mandatory Redemption Date” means, with respect to the New Preferred Stock, the earlier of (i) the last day of any Quarterly Dividend Period in which the holders of at least one-third of the outstanding shares of New Preferred Stock validly make the Redemption Election (provided that if the Redemption Election is not made at least 45 days prior to the last day of such Quarterly Dividend Period, the Mandatory Redemption Date shall be the last day of the next Quarterly Dividend Period) and (ii) the last day of the Quarterly Dividend Period ending after the tenth anniversary of the Issue Date.
- (e) “Redemption Election” means, with respect to the New Preferred Stock, an election made in writing to the Company by the holders of at least one-third of the outstanding shares of New Preferred Stock to require the Company to redeem all then outstanding shares of New Preferred Stock; provided that Redemption Election shall not be made and shall not be effective prior to the

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- seventh anniversary of the Issue Date.
- (f) “Default Dividend Rate” means, with respect to the New Preferred Stock, (i) if the Company fails to discharge fully its Mandatory Redemption Obligation on the Mandatory Redemption Date, 0.25% per annum effective as of the first day following the Mandatory Redemption Date, 0.50% per annum effective on the first day following the one-year anniversary of the Mandatory Redemption Date and 0.75% per annum effective on the first day following the two-year anniversary of the Mandatory Redemption Date and (ii) if the Company fails to discharge fully its Mandatory Redemption Obligation on the last day of the Quarterly Dividend Period ending after the tenth anniversary of the Issue Date, effective on the first following day thereof, the sum of (A) 1.50% per annum and (B) the rate per annum, if any, determined pursuant to clause (i); provided that in no event shall the Default Dividend Rate exceed 2.25% per annum.
- (g) “Conversion Trigger Event” means, with respect to the New Preferred Stock, any 30 day period during which the Market Value of the Common Stock (as determined based on the closing sale price of the Common Stock on the Tokyo Stock Exchange or if the common stock is not listed on the Tokyo Stock Exchange, such other securities exchange or automated quotation system on which the Common Stock is then listed or authorized for quotation) for each day in such period is equal to or greater than the Conversion Price.

5. Status of Equity Finances Made in Last 3 Years, etc

(1) Status of Equity Finance

Date	Amount of Increased Capital	Amount of Capital after Capital Increase	Amount of Capital Reserve after Capital Increase
July 3, 2003	JPY2,000,040,000	JPY 5,669,277,950	JPY 6,604,213,516
May 17, 2004	JPY 87,000,000	JPY 5,712,777,950	JPY 6,647,713,516
March 28, 2006	JPY3,000,000,060	JPY 7,218,041,138	JPY 8,142,450,388

[Before Amendment]

2. Terms and Conditions of Issuance of Class C Preferred Stock

(10)Dividends on New Preferred Stock:

- (e) The holders of the New Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors (the “Board of Directors”) or shareholders of the

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Company, out of the funds of the Company legally available therefor pursuant to the Corporation Law of Japan (the “Legally Available Funds”), cumulative dividends on each share of New Preferred Stock for each Quarterly Dividend Period (as hereinafter defined) equal to (i) the Liquidation Preference (as defined in the section (11) below) of each such share multiplied by a rate (with respect to the New Preferred Stock, the “Quarterly Dividend Rate”) equal to 1.75% per annum (if Default Dividend Rate is applicable, the applicable Default Dividend Rate shall be added), (ii) any accrued and unpaid dividend that should have been paid with respect to any Quarterly Dividend Period prior to the relevant Quarterly Dividend Period, plus, (iii) Additional Dividends (as hereinafter defined), within 45 days after the end of such Quarterly Dividend Period. For the first Quarterly Dividend Period, such dividends shall be deemed to be cumulative from January 1, 2006, through the end of the first Quarterly Dividend Period following the date of the original issue of such New Preferred Stock. Thereafter, such dividends shall be cumulative from the initial day of the following Quarterly Dividend Period. Accrued and unpaid dividends on the New Preferred Stock shall accrue additional dividends in respect thereof (“Additional Dividends”), compounded quarterly, at the Quarterly Dividend Rate plus 2.00% per annum (and including any Default Dividend Rate, if applicable). Each such dividend, when, as and if declared by the Company’s Board of Directors or shareholders, shall be paid to the holders of record of shares of New Preferred Stock or to the registered share pledgees of the New Preferred Stocks (hereinafter referred to as “New Preferred Registered Share Pledgees”) as they appear on the stock register of the Company as of the last date of the Quarterly Dividend Period immediately preceding the date on which such dividend is paid.

- (f) The dividends (including Additional Dividends) payable on the New Preferred Stock shall be computed on the basis of a 360-day year of twelve 30-day months. For the avoidance of doubt, calculation on any dividend (including Additional Dividends) for any period less than a full Quarterly Dividend Period shall start its count from the initial day of such Quarterly Dividend Period.
- (g) “Quarterly Dividend Period” means, with respect to the New Preferred Stock, the period from January 1 through the next March 31, from April 1 through the next June 30, from July 1 through the next September 30, or from October 1 through the next December 31, as the case may be.
- (h) “Business Day” means, with respect to the New Preferred Stock, any day other than a Saturday, a Sunday or any day on which banking institutions in Japan or the Tokyo Stock Exchange is closed.

(11) Distribution of Residual Assets

In the event of any liquidation, dissolution, or winding up of the affairs of the Company, whether voluntary or otherwise, after payment or provision for payment of the debts, the liquidation preference on any Senior Securities and other liabilities

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of the Company, the holders of the New Preferred Stock or New Preferred Registered Share Pledges shall be entitled to receive, out of the remaining net assets of the Company, the amount of JPY100,000 in cash for each share of New Preferred Stock (the “Liquidation Preference”), plus an amount equal to all dividends (including Additional Dividends) accrued and unpaid on each such share up to the date fixed for distribution, before any distribution shall be made to the holders of the Common Stock or any other stock ranking (as to any such distribution) junior to the New Preferred Stock or the registered share pledges thereof. If, upon any liquidation, dissolution or winding up of the Company, the assets distributable among the holders of any New Preferred Stock and any Parity Securities shall be insufficient to permit the payment in full to the holders of all such series of New Preferred Stock of all preferential amounts payable to all such holders, then subject to subsection (10)(a), the entire assets of the Company thus distributable shall be distributed ratably among the holders of all New Preferred Stock and Parity Securities in proportion to the respective amounts that would be payable per share if such assets were sufficient to permit payment in full. Except as otherwise provided herein, holders of New Preferred Stock shall not be entitled to any distribution in the event of liquidation, dissolution or winding up of the affairs of the Company. For the purposes of this subsection 6, neither the voluntary sale, lease, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all the property or assets of the Company, nor the consolidation or merger of the Company with one or more other corporations, shall be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, unless such voluntary sale, lease, conveyance, exchange or transfer shall be in connection with a plan of liquidation, dissolution or winding up of the Company.

(12)Voting Rights:

- (a) The Holders of the New Preferred Stock shall not, except as required by law or as otherwise expressly set forth in this subsection (b) or herein, have any right or power to vote on any question or in any proceedings or to be represented at, or to receive notice of, any meeting of the Company’s stockholders. On any matters on which the holders of the New Preferred Stock shall be entitled to vote, they shall be entitled to vote for each share held.
- (b) The terms of the New Preferred Stock set forth herein shall not be amended without the vote of the holders of at least two-thirds of the outstanding shares of the New Preferred Stock.

(13)Stock Splits and Combination:

If any stock split or combination is implemented with respect to the New

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Preferred Stock, or any new shares of the New Preferred Stock are issued by granting the shareholders of the New Preferred Stock with the right to assume the allotment of the shares offered for subscription, and as a result thereof it is required to adjust the amount of the dividends, the Conversion Price, or the Liquidation Preference of the New Preferred Stock, then such adjustment shall be made to the amount determined appropriate by the Board of Directors in light of the terms thereof.

(14) Conversion at the option of the holder:

- (f) Each holder of New Preferred Stock shall have the right, at any time, at its option, to convert, subject to the terms and provisions of this section (14), any or all of such holder's shares of New Preferred Stock into a number of fully paid and nonassessable shares of Common Stock (excluding fractional shares of Common Stock) determined by dividing (i) the aggregate amount of the Liquidation Preference of, and accrued and unpaid dividends (including Additional Dividends) on, the number of whole shares of New Preferred Stock which such holder elects to convert by (ii) the Conversion Price then in effect.

For purpose of the calculation of the number of shares to be delivered, any fractional share less than one whole share shall be rounded down.

- (g) In the event of any reclassification of outstanding shares of Common Stock, or in the event of any consolidation or merger of the Company with or into another Person or any merger of another Person with or into the Company (other than a consolidation or merger in which the Company is the resulting or surviving Person and which does not result in any reclassification or change of outstanding Common Stock), or in the event of any sale or other disposition to another Person of all or substantially all of the assets of the Company (computed on a consolidated basis) (any of the foregoing, a "Transaction"), each share of New Preferred Stock then outstanding shall, without the consent of any holder of New Preferred Stock, become convertible at any time, at the option of the holder thereof, only into the kind and amount of securities (of the Company or another issuer), cash and other property receivable upon such Transaction by a holder of the number of shares of Common Stock into which such share of New Preferred Stock could have been converted immediately prior to such Transaction. The provisions of this subsection (14) (b) and any equivalent thereof in any such securities similarly shall apply to successive Transactions. The provisions of this subsection (14) (b) shall be the sole rights of holders of New Preferred Stock in connection with any Transaction and such holders shall have no separate vote thereon, except in each case if or to the extent set forth in subsection (12) above or otherwise separately agreed in writing by the Company and a holder of the New Preferred Stock (including any agreement that may have been entered into before issuance of the New Preferred Stock).

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(h) The “Conversion Price” shall be 150% (rounded down to the nearest yen) of the average closing sale price of Common Stock on the Tokyo Stock Exchange for the ten consecutive Business Day period on the last Business Day on which Common Stock traded immediately prior to the Issue Date with respect to the first issue of the shares of the New Preferred Stock.

(i) If any fraction of a share of Common Stock would be deliverable, except for the provisions hereof or as limited by law, upon conversion of shares of New Preferred Stock, the Company shall pay an amount equal to the market value (as defined under Article 167, Paragraph 3, Item 1 of Japanese Corporation Law) of a share of Common Stock as of the date of such conversion multiplied by such fraction of a share of Common Stock.

(j) ANTI-DILUTION ADJUSTMENTS. (I) The Conversion Price shall be subject to the following adjustments from time to time:

(vii) Stock Allocation without Consideration. In case the Company shall, by the resolution of the Board of Directors or shareholders, allocate the shares of the Common Stock to the holders of the shares of the Common Stock without consideration (other than any stock split referred to in subsection (14) (e)(I)(iii)), the Conversion Price, as in effect at the opening of business on the day following the date fixed for the determination of stockholders of the Company entitled to receive such allocation (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution) shall be adjusted by multiplying such Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution) and the denominator shall be the sum of such number of shares and the total number of shares constituting such allocation, such adjustment to become effective immediately after the opening of business on the day following the date fixed for such determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution).

(viii) Stock Acquisition Rights. In case the Company shall issue to all holders of Common Stock stock acquisition rights, options, warrants or other rights, entitling them to subscribe for or purchase shares of Common Stock, by the resolution of the Board of Directors or shareholders, at a price per share of Common Stock less than the average closing sale price of the Common Stock for a ten

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consecutive Business Day period on the Tokyo Stock Exchange (or such other securities exchange or automated quotation system on which the Common Stock is then listed or authorized for quotation or, if the Common Stock is not so listed or authorized for quotation, an amount determined in good faith by the Board of Directors or shareholders to be the fair value of the Common Stock) ending immediately prior to the date of determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution), (such average closing sale price, the “Market Value”) on the date fixed for the determination of stockholders of the Company entitled to receive such stock acquisition rights, options, warrants or other rights (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution), (other than pursuant to a dividend reinvestment, share purchase or similar plan), the Conversion Price in effect at the opening of business on the day following the date fixed for such determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution) shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution) plus the number of shares of Common Stock which the aggregate consideration expected to be received by the Company upon the exercise, conversion or exchange of such stock acquisition rights, options, warrants or other rights (as determined in good faith by the Board of Directors or shareholders, whose determination shall be conclusive and described in a board resolution) would purchase at such Market Value and the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution) plus the number of shares of Common Stock so offered for subscription or purchase, either directly or indirectly, such adjustment to become effective immediately after the opening of business on the day following the date fixed for such determination (or if the resolution of the Board of Directors or shareholders is later than such record date, the date of such resolution); provided, however, that no such adjustment to the Conversion Price shall be made if the holders of New Preferred Stock would be entitled to receive such stock acquisition rights, options, warrants or other rights upon conversion at any time of shares of New Preferred Stock

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into Common Stock; provided, further, however, that if any of the foregoing stock acquisition rights, options, warrants or other rights are only exercisable upon the occurrence of a triggering event, then the Conversion Price will not be adjusted until such triggering event occurs.

- (ix) Stock Splits and Combinations. In case outstanding shares of Common Stock shall be split into a greater number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the day upon which such split becomes effective shall be proportionately reduced, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such split or combination becomes effective.
- (x) Debt, Asset or Security Distributions. (A) In case the Company shall, by dividend or otherwise, distribute to all holders of Common Stock evidences of its indebtedness, assets or securities (but excluding any stock acquisition rights, options, warrants or other rights referred to in this section (14) (e) (I) (ii), any dividend or distribution paid exclusively in cash referred to in this section (14) (e)(I)(v) and any dividend, shares of Capital Stock of any class or series, or similar equity interests, of or relating to a subsidiary or other business unit in the case of a Spin-off referred to in the next subparagraph, or any allocation of Common Stock referred to in this section (14) (e)(I) (i)) by the resolution of the shareholders at a shareholders meeting or the Board of Directors, the Conversion Price shall be reduced by multiplying the Conversion Price in effect immediately prior to the close of business on the date fixed for the determination of stockholders of the Company entitled to receive such distribution (or if the resolution of the shareholders at a shareholders meeting or the Board of Directors is later than such record date, the date of such resolution) by a fraction, the numerator of which shall be the Market Value on the date fixed for such determination (or if the resolution of the shareholders at shareholders meeting or the Board of Directors is later than such record date, the date of such resolution) and the denominator of which shall be such Market Value plus the fair market value (as determined in good faith by the Board of Directors, whose determination shall be conclusive

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and described in a board resolution) of the portion of the assets or evidences of indebtedness so distributed applicable to one share of Common Stock, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of stockholders of the Company entitled to receive such distribution (or if the resolution of the shareholders at a shareholders meeting or the Board of Directors is later than such record date, the date of such resolution). In any case in which this subparagraph (iv)(A) is applicable, subparagraph (iv)(B) of this subsection shall not be applicable.

(B) In the case of a spin-off by way of corporate split or distribution in kind of the Company assets to Company shareholders or otherwise, by resolution of the shareholders at a shareholders meeting or the Board of Directors, the Conversion Price in effect immediately before the close of business on the record date fixed for determination of stockholders of the Company entitled to receive that distribution (or if the resolution of the shareholders at a shareholders meeting or the Board of Directors with respect to such spin-off is later than such record date, the date of such resolution) will be reduced by multiplying the Conversion Price by a fraction, the numerator of which is the Market Value and the denominator of which is the Market Value plus the fair market value (which shall be the then current aggregate market value of the shares to be so distributed based on the closing trading price of the distributed shares immediately after the effective date of such distribution (or promptly after the closing thereof) if there is then a public market for such distributed shares or, if no such public market then (or at such time) exists, as determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a board resolution) of the portion of those shares of capital stock or similar equity interests so distributed applicable to one share of Common Stock. Any adjustment to the Conversion Price under this subparagraph (iv)(B) will occur on the date that is the earlier of (1) the 2 Business Day from, and including, the effective date of the spin-off and (2) the date of the initial public offering of the securities being distributed in the spin-off, if that initial public offering is effected simultaneously with the Spin-off.

(xi) Cash Distributions. In case the Company shall, by dividend or otherwise, make distributions to all holders of Common Stock exclusively in cash (excluding any distribution consisting of cash and other assets which is provided for in this section (14) (e)(I) (iv)) by the resolution of the shareholders at a shareholders meeting or the Board of Directors immediately after the close of business on such

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date for determination (or if the resolution of the shareholders at a shareholders meeting or the Board of Directors is later than such record date, the date of such resolution), the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the close of business on the date fixed for determination of the stockholders of the Company entitled to receive such distribution (or if the resolution of the shareholders at a shareholders meeting or the Board of Directors is later than such record date, the date of such resolution) by a fraction, (A) the numerator of which shall be equal to the Market Value minus the amount per share of such dividend or distribution and (B) the denominator of which shall be equal to the Market Value.

- (xii) Tender Offers. In the case that a tender or exchange offer made by the Company for all or any portion of the Common Stock shall expire and such tender or exchange offer (as amended through the expiration thereof) shall require the payment to stockholders of the Company (based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of Purchased Shares (as defined below)) of an aggregate consideration having a fair market value (which shall be then current aggregate market value of any securities to be so distributed based on the closing trading price of such distributed securities immediately after the effective date of such distribution (or promptly after the closing thereof) if there is then a public market for such distributed securities or, if no such public market then (or at such time) exists, as determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a board resolution) per share of the Common Stock that exceeds the closing price of the Common Stock on the Business Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, then, immediately prior to the opening of business on the day after the date of the last time (the “Expiration Time”) tenders could have been made pursuant to such tender or exchange offer (as amended through the expiration thereof), the Conversion Price shall be reduced by multiplying the Conversion Price immediately prior to the close of business on the date of the Expiration Time by a fraction (A) the numerator of which shall be equal to the product of (x) the Market Value on the date of the Expiration Time and (y) the number of shares of Common Stock outstanding (including any tendered shares) on the date of the Expiration Time, and (B) the denominator of which shall be equal to (x) the product of (I) the Market Value on the date of the Expiration Time and (II) the number of shares of Common Stock outstanding (including any tendered shares) on the

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date of the Expiration Time less the number of all shares validly tendered, not withdrawn and accepted for payment on the date of the Expiration Time (such validly tendered shares, up to any such maximum, being referred to as the “Purchased Shares”) plus (y) the amount of cash plus the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders of the Company pursuant to the tender or exchange offer (assuming the acceptance, up to any maximum specified in the terms of the tender or exchange offer, of Purchased Shares).

(II) De Minimis Adjustments. Notwithstanding anything herein to the contrary, no adjustment under this section (14) need be made to the Conversion Price unless such adjustment would require an increase or decrease of at least 1.0 % of the Conversion Price then in effect. Any lesser adjustment shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, if any, which, together with any adjustment or adjustments so carried forward, shall result in an increase or decrease of at least 1.0% of such Conversion Price; provided, however, that the Company will make such adjustments no later than January 1 of each calendar year. All adjustments to the Conversion Price shall be calculated to the nearest yen.

(III) Exceptions to Adjustment. The applicable Conversion Price shall not be adjusted:

- (v) upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company’s securities and the investment of additional optional amounts in shares of Common Stock under any plan;
- (vi) upon the issuance of any shares of Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of its Subsidiaries;
- (vii) upon the issuance of any shares of Common Stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security outstanding as of the Issue Date; or
- (viii) for accrued and unpaid dividends on the New Preferred Stock.

(15) Optional Redemption:

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The Company by the resolution of the Board of Directors, can redeem all or a part of the New Preferred Stocks by cash notwithstanding of the intention of the holder of the New Preferred Stocks or the New Preferred Registered Share Pledgees in accordance with the following provisions under this section. Such redemption shall be subject to the distributable funds.

- (f) Condition to the Optional Redemption: The average closing sale price of the common stock of the Company (the “Common Stock”) for a 20 consecutive Business Day period on the Tokyo Stock Exchange (or such other securities exchange or automated quotation system on which the Common Stock is then listed or authorized for quotation or, if the Common Stock is not so listed or authorized for quotation, an amount determined in good faith by the Board of Directors to be the fair value of the Common Stock) equals or exceeds 130% of the Conversion Price (as hereinafter defined)
- (g) Period for the optional redemption: From the third anniversary of the date of the first issuance of the New Preferred Stock (the “Issue Date”) to the 10th anniversary of the Issue Date
- (h) Redemption Price: 100% of the Liquidation Preference per share
- (i) Immediately prior to authorizing or making any such redemption with respect to the New Preferred Stock, the Company by resolution of the Board of Directors or shareholders shall, to the extent of any Legally Available Funds, declare a dividend on the New Preferred Stock payable on the redemption date in an amount equal to any accrued and unpaid dividends (including Additional Dividends) on the New Preferred Stock to the holders of shares of New Preferred Stock or New Preferred Registered Share Pledgees as of such date. Notwithstanding the provisions of this section (15), unless the full cumulative dividends (including Additional Dividends) on all outstanding shares of New Preferred Stock shall have been paid or contemporaneously are declared and paid in cash for all past dividend periods, none of the shares of New Preferred Stock shall be redeemed.
- (j) Selection of Shares to be Redeemed. If less than all of the shares of New Preferred Stock are to be redeemed, the Board of Directors of the Company shall redeem such shares on a pro rata basis from the holder(s) thereof.

(16) Mandatory Redemption

- (h) The Company shall redeem, out of Legally Available Funds, on the Mandatory Redemption Date all then outstanding shares of New Preferred Stock at a cash redemption price of 100% of the Liquidation Preference to the holders of shares of New Preferred Stock or New Preferred Registered Share Pledgees. Immediately prior to authorizing or making any such redemption with respect to the New Preferred Stock, the Company, by resolution of the Board of Directors or shareholders shall, to the extent of any Legally Available Funds, declare a

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dividend on the New Preferred Stock payable on the redemption date in an amount equal to any accrued and unpaid dividends (including Additional Dividends) on the New Preferred Stock to the holders of shares of New Preferred Stock or New Preferred Registered Share Pledges as of such date and, if the Company does not have sufficient Legally Available Funds to declare and pay all dividends (including Additional Dividends) accrued at the time of such redemption, any remaining accrued and unpaid dividends (including Additional Dividends) shall be added to the redemption price.

- (i) If the Company shall fail to discharge its obligation to redeem all of the outstanding shares of New Preferred Stock required to be redeemed pursuant to this section (16) (a) (the “Mandatory Redemption Obligation”) and a Conversion Trigger Event has not occurred, the Quarterly Dividend Rate shall be increased by the amount of the Default Dividend Rate, effective as of the first day following the Mandatory Redemption Date, until the date on which the Company is able to discharge fully such Mandatory Redemption Obligation.
- (j) Selection of Shares to be Redeemed. If less than all of the shares of New Preferred Stock are to be redeemed, the Board of Directors of the Company shall redeem such shares on a pro rata basis from the holder(s) thereof
- (k) “Mandatory Redemption Date” means, with respect to the New Preferred Stock, the earlier of (i) the last day of any Quarterly Dividend Period in which the holders of at least one-third of the outstanding shares of New Preferred Stock validly make the Redemption Election (provided that if the Redemption Election is not made at least 45 days prior to the last day of such Quarterly Dividend Period, the Mandatory Redemption Date shall be the last day of the next Quarterly Dividend Period) and (ii) the last day of the Quarterly Dividend Period ending after the tenth anniversary of the Issue Date.
- (l) “Redemption Election” means, with respect to the New Preferred Stock, an election made in writing to the Company by the holders of at least one-third of the outstanding shares of New Preferred Stock to require the Company to redeem all then outstanding shares of New Preferred Stock; provided that Redemption Election shall not be made and shall not be effective prior to the seventh anniversary of the Issue Date.
- (m) “Default Dividend Rate” means, with respect to the New Preferred Stock, (i) if the Company fails to discharge fully its Mandatory Redemption Obligation on the Mandatory Redemption Date, 0.25% per annum effective as of the first day following the Mandatory Redemption Date, 0.50% per annum effective on the first day following the one-year anniversary of the Mandatory Redemption Date and 0.75% per annum effective on the first day following the two-year anniversary of the Mandatory Redemption Date and (ii) if the Company fails to discharge fully its Mandatory Redemption Obligation on the last day of the

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Quarterly Dividend Period ending after the tenth anniversary of the Issue Date, effective on the first following day thereof, the sum of (A) 1.50% per annum and (B) the rate per annum, if any, determined pursuant to clause (i); provided that in no event shall the Default Dividend Rate exceed 2.25% per annum.

- (n) “Conversion Trigger Event” means, with respect to the New Preferred Stock, any 30 day period during which the Market Value of the Common Stock (as determined based on the closing sale price of the Common Stock on the Tokyo Stock Exchange or such other securities exchange or automated quotation system on which the Common Stock is then listed or authorized for quotation) for each day in such period is equal to or greater than the Conversion Price.

5. Status of Equity Finances Made in Last 3 Years, etc

(1) Status of Equity Finance

Date	Amount of Increased Capital	Amount of Capital after Capital Increase	Amount of Capital Reserve after Capital Increase
July 3, 2003	JPY2,000,040,000	JPY 5,669,277,950	JPY 6,604,213,516
May 17, 2004	JPY 87,000,000	JPY 5,712,777,950	JPY 6,647,713,516
March 28, 2006	JPY1,505,263,188	JPY 7,218,041,138	JPY 8,142,450,388

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