

March 31, 2021

**Notice Concerning Completion of Payment for and Issuance of New Shares and  
Stock Acquisition Rights through Third-party Allotment, and  
Reduction of Capital and Capital Reserve Simultaneous with Issuance of Shares**

As resolved at the Board of Directors meeting held on February 15, 2021, the Company has issued common stock (the "Common Stock"), the first series of stock acquisition rights (the "Stock Acquisition Rights"), Class A Preferred Stock of Royal Holdings Co., Ltd. (the "Class A Preferred Stock"), and the Class B Preferred Stock of Royal Holdings Co., Ltd. (the "Class B Preferred Stock") through a third-party allotment. As for the issuance, the Company has confirmed that the payment of the total amount to be paid (16,000,003,724 yen) has been completed today.

For details of the capital increase, please refer to the "Notice of Execution of Capital and Business Alliance Agreement with Sojitz Corporation, Issuance of New Shares and Stock Acquisition Rights by Way of Third-Party Allotment, Change in Largest Shareholder, Partial Amendment to Articles of Incorporation, Reduction in Capital and Legal Reserves and Appropriation of Surplus, Reduction in Capital and Legal Reserves Concurrent with Issuance of Shares, and Capital Increase by Way of Third-Party Allotment by Subsidiary due to Change in Consolidated Subsidiaries" [Translated from Japanese], prepared by our company on February 15, 2021. (The press release is only available in Japanese.)

In conjunction with this, we would also like to announce that the reduction of capital and capital reserve simultaneous with the issuance of shares as announced in the above press release dated February 15, 2021 has become effective.

**I. Issuance of the Common Stock, the Stock Acquisition Rights, the Class A Preferred Stock and the Class B Preferred Stock**

1. Overview of the Share Issuance

(1) Common Stock

(1) Number of new shares (Number of shares offered)	5,820,700 shares of common stock
(2) Amount to be paid	1,718 yen per share
(3) Total amount to be paid	9,999,962,600 yen
(4) Amount of increased capital and capital reserve	Increase in capital: 4,999,981,300 yen (859 yen per share) Increase in capital reserve: 4,999,981,300 yen (859 yen per share)
(5) Method of offering or allotment (Allottee)	All shares were allocated to Sojitz Corporation by way of third-party allotment.
(6) Payment date	March 31, 2021

(2) Stock Acquisition Rights

(1) Type and number of shares to be issued upon exercise of stock acquisition rights	4,112,400 shares of common stock
(2) Total number of stock acquisition rights	41,124 rights
(3) Amount to be paid for stock acquisition right	41,124 yen
(4) Exercise period	From April 1, 2021 to March 31, 2027 (or the immediately preceding business day if the date is not a business day of the Company)

(5) Exercise price and adjustment conditions for exercise price	<p>Initial exercise price: 1,908 yen per share</p> <p>The exercise price is the amount (hereinafter referred to as the "Adjustment Date Price") equivalent to the closing price (if there is no closing price on the day, the closing price immediately before that) of the Company's common stock in regular trading on the Tokyo Stock Exchange on the trading day immediately preceding the date of notification of the exercise request (the "Adjustment Date"), rounded up to the nearest yen.</p> <p>If the exercise price is one yen or more higher or lower than the exercise price in effect immediately prior to the Adjustment Date, the exercise price will be revised to the price on the Adjustment Date on and after the Adjustment Date. However, if the exercise price after such revision on the Adjustment Date falls below 1,431 yen (the "Minimum Exercise Price"), the exercise price shall be the Minimum Exercise Price. In addition, the stock acquisition rights may not be exercised until six months have passed since the previous revision of the exercise price.</p>
(6) Method of offering or allotment (Allottee)	All stock acquisition rights were allocated to Sojitz by way of third-party allotment.
(7) Allotment date	Wednesday, March 31, 2021
(8) Other	As the exercise price of the Stock Acquisition Rights is adjusted not more than once every six months, the Stock Acquisition Rights do not fall under the "MSCB, etc." stipulated in Paragraph 1 of Article 410 of the Securities Listing Regulations stipulated by the Tokyo Stock Exchange and Item 2 of Article 2 of the Regulations Concerning the Handling of Capital Increases, etc. Allocated to Third Parties stipulated by the Japan Securities Dealers Association.

### (3) Class A Preferred Stock

(1) Number of new shares (Number of shares offered)	Class A Preferred Stock: 3,000 shares
(2) Amount to be paid	1,000,000 yen per share
(3) Total amount to be paid	3,000,000,000 yen
(4) Amount of increased capital and capital reserve	Increase in capital: 1,500,000,000 yen (500,000 yen per share) Increase in capital reserve: 1,500,000,000 yen (500,000 yen per share)
(5) Method of offering or allotment (Allottee)	<p>The Company allocated the following shares by way of third-party allotment.</p> <ul style="list-style-type: none"> <li>• Mizuho Bank, Ltd.: 1500 shares</li> <li>• Development Bank of Japan Inc.: 900 shares</li> <li>• The Bank of Fukuoka, Ltd.: 300 shares</li> <li>• THE NISHI-NIPPON CITY BANK, LTD.: 300 shares</li> </ul>
(6) Payment date	March 31, 2021

### (4) Class B Preferred Stock

(1) Number of new shares (Number of shares offered)	Class B preferred stock: 3,000 shares
(2) Amount to be paid	1,000,000 yen per share
(3) Total amount to be paid	3,000,000,000 yen
(4) Amount of increased capital and capital reserve	Increase in capital: 1,500,000,000 yen (500,000 yen per share) Increase in capital reserve: 1,500,000,000 yen (500,000 yen per share)

(5) Method of offering or allotment (Allottee)	The Company allocated the following shares by way of third-party allotment. <ul style="list-style-type: none"> <li>• Mizuho Bank, Ltd.: 1500 shares</li> <li>• Development Bank of Japan Inc.: 900 shares</li> <li>• The Bank of Fukuoka, Ltd.: 300 shares</li> <li>• THE NISHI-NIPPON CITY BANK, LTD.: 300 shares</li> </ul>
(6) Payment date	March 31, 2021

## 2. Changes in total number of shares issued and amount of capital by third-party allotment

	Total number of Common Stock issued	Total number of Class A Stock issued	Total number of Class B Stock issued	Amount of capital (Note)
Before Issue	39,554,189 shares	—	—	13,676,179,700 yen
After issuance	45,374,889 shares	3,000 shares	3,000 shares	21,676,161,000 yen

(Note) As described in "II. Decrease in amount of capital and capital reserve simultaneous with issuance of shares." below, the amount of capital after issuance is the amount before the effect of the decrease in the amount of capital.

## II. Decrease in amount of capital and capital reserve simultaneous with issuance of shares

### 1. Decrease in the amount of capital and increase in other capital surplus

Pursuant to the provisions of Paragraph 1 and Paragraph 3 of Article 447 of the Companies Act, the Company reduced its capital by 7,999,981,300 yen and transferred the entire amount to other capital surplus.

(Since the capital increased by 7,999,981,300 yen due to the capital increase at the same time, the amount of capital after the effective date will not be less than the amount of capital before the effective date.)

(Breakdown)

Amount equivalent to the amount of capital to be increased by the issuance of the Common Stock: 4,999,981,300 yen

Amount equivalent to the amount of capital to be increased by the issuance of the Class A Preferred Stock: 1,500,000,000 yen

Amount equivalent to the amount of capital to be increased by the issuance of the Class B Preferred Stock: 1,500,000,000 yen

### 2. Decrease in the amount of capital reserve and increase in other capital surplus

Pursuant to the provisions of Article 448, Paragraphs 1 and 3 of the Companies Act, the Company reduced its capital reserve by 7,999,981,300 yen and transferred the entire amount to other capital surplus.

(Since the capital reserve increased by 7,999,981,300 yen due to the capital increase at the same time, the amount of capital reserve after the effective date will not be less than the amount of capital reserve before the effective date.)

(Breakdown)

Amount equivalent to the amount of capital reserve to be increased by the issuance of the Common Stock: 4,999,981,300 yen

Amount equivalent to the amount of capital reserve to be increased by the issuance of the Class A Preferred Stock: 1,500,000,000 yen

Amount equivalent to the amount of capital reserve to be increased by the issuance of the Class B Preferred Stock: 1,500,000,000 yen

As a result of the effect of the reduction in the amount of capital and capital reserve simultaneous with issuance of shares, the amount of capital after the effective date will be 13,676,179,700 yen, the amount of capital reserve will be 7,436,064,026 yen, and the amount of other capital surplus will be 20,633,442,892 yen.