
SHARE CAPITAL

CAPITAL STRUCTURE

As at the Latest Practicable Date, our Company had a core capital* (資本金) of ¥10 million. Our Company does not have any specific value of authorised and issued share capital as the concept of shares with par value has been abolished under the Japan Companies Act.

Authorised share capital

Immediately upon completion of the Global Offering, the total number of Shares authorised to be issued by our Company pursuant to our Articles will be 2,000,000,000 Shares.

Issued share capital

Assuming the Over-allotment Option is not exercised, the number of Shares issued by our Company immediately upon completion of the Global Offering will be as follows:

Issued and to be issued:

895,850,460	Shares in issue immediately prior to the completion of the Global Offering
<u>300,000,000</u>	Share to be issued pursuant to the Global Offering (excluding any Shares which may be issued under the Over-allotment Option)
<u>1,195,850,460</u>	Total

Assuming the Over-allotment Option is exercised in full, the number of Shares issued by our Company immediately upon completion of the Global Offering will be as follows:

Issued and to be issued:

895,850,460	Shares in issue immediately prior to the completion of the Global Offering
<u>345,000,000</u>	Share to be issued pursuant to the Global Offering (including all Shares which may be issued under the Over-allotment Option)
<u>1,240,850,460</u>	Total

Assumptions

This table assumes the Global Offering has become unconditional and the issue of Shares pursuant thereto is made as described herein. It does not take into account of any Shares which may be allotted and issued or repurchased by our Company under the Issuing Mandate and Repurchase Mandate granted to our Board as referred to below or otherwise.

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Ranking

The Offer Shares and the Shares that may be issued pursuant to the Over-allotment Option shall rank *pari passu* with all existing Shares in issue on the date of the allotment and issue of such Shares, and in particular will be entitled to all dividends or other distributions declared, made or paid thereafter.

Treasury stock

As at the Latest Practicable Date, none of our issued Shares was a treasury stock* (自己株式).

GENERAL MANDATE TO ISSUE SHARES

Our Board has been granted with the Issuing Mandate to allot, issue and deal in an aggregate number of Shares that is no more than the sum of:

- (a) 20% of the total number of Shares issued by our Company immediately upon completion of the Global Offering; and
- (b) the aggregate number of Shares repurchased by our Company, if any, under the Repurchase Mandate referred to below.

The aggregate number of Shares which our Directors are authorised to allot and issue under the Issuing Mandate will not be reduced by the allotment and issue of Shares pursuant to (i) a rights issue; or (ii) any specific authority granted by our Shareholders in general meeting(s).

The Issuing Mandate will expire at the earliest of:

- (a) the conclusion of our Company's next AGM unless by ordinary resolution at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which our Company is required by the applicable Japan law or our Articles to hold our next AGM; or
- (c) when varied, revoked or renewed by a resolution of our Shareholders in a general meeting.

For the avoidance of doubt, the Issuing Mandate grants power to our Board to issue, allot and deal with Shares only and does not grant authority to issue SARs and dispose of treasury stock* (自己株式). For further details of the Issuing Mandate, see "Appendix VI – Statutory and General Information – A. Further information about our Company – 5. Extraordinary general meeting held on 16 March 2015".

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Under our Articles and the Japan Companies Act, the Issuing Mandate is only enforceable when (i) our total number of issued Shares will not exceed 2,000,000,000 Shares, which are the total number of Shares authorised to be issued by our Company, as a result of the issue and allotments made under the Issuing Mandate; and (ii) the allotments under the Issuing Mandate are not made at a price or on term(s) *especially favourable* to the allottees.

Our Directors have undertaken to the Stock Exchange not to exercise the Issuing Mandate if any of the aforementioned conditions has not been fulfilled, in which case they will seek specific approval from our Shareholders in order to issue and allot new Shares. For a detailed discussion on the Japan law provisions relating to the enforceability of the Issuing Mandate, see “Key Japan Legal and Regulatory Matters - D. Capital Structure - Issuing Mandate”.

We will comply with Rule 13.36 of the Listing Rules in relation to pre-emptive rights and the Issuing Mandate.

GENERAL MANDATE TO REPURCHASE SHARES

Our Board has been granted with the Repurchase Mandate to exercise all the powers of our Company to repurchase an aggregate number of Shares that is no more than 10% of the total number of Shares issued by our Company immediately upon completion of the Global Offering.

The Repurchase Mandate only relates to repurchases made on the Stock Exchange, or any other stock exchange on which the Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), subject to and in accordance with our Articles, all applicable laws and regulations in Japan and Hong Kong, and the requirements of the Listing Rules and any other stock exchange on which our securities may be listed, as amended from time to time. Further information required by the Stock Exchange to be included in this Prospectus regarding the repurchase of Shares is set out in “Appendix VI – Statutory and General Information – B. Repurchase of our Shares”.

The Repurchase Mandate will expire at the earliest of:

- (a) the conclusion of our Company’s next AGM unless by ordinary resolution at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which our Company is required by the applicable Japan law or our Articles to hold our next AGM; or
- (c) when varied, revoked or renewed by a resolution of our Shareholders in a general meeting.

Upon Listing, repurchases on the Stock Exchange will be effected under the Repurchase Mandate granted to our Board by our Shareholders on 16 March 2015 in compliance with Rule 10.06 of the Listing Rules as market transactions etc.* (市場取引等) as defined under the Japan Companies Act. Our Articles provide that repurchases of our own Shares can be effected through

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a market transaction etc.* (市場取引等) with a resolution of our Board (so long as such repurchases comply with the applicable requirements under the Listing Rules), allowing our Board to effect repurchases under the Repurchase Mandate without Shareholders' specific approval.

Based on the foregoing Articles and Japan law provisions, repurchases under the Repurchase Mandate must be market transactions etc.* (市場取引等) as defined under the Japan Companies Act. There is no judicial precedent or interpretation confirming that a repurchase through the Stock Exchange, which is not a securities exchange in Japan, is a market transaction etc.* (市場取引等). Given the lack of judicial precedent, our Directors have undertaken to the Stock Exchange that they will not exercise the Repurchase Mandate to repurchase our Shares on the Stock Exchange unless there is clear judicial authority allowing us to make repurchases on the Stock Exchange thereunder.

We will comply with the requirements in respect of the Repurchase Mandate under the Rule 10.06 of the Listing Rules.

GENERAL MEETINGS AND CLASS MEETINGS

See "Appendix V — Summary of our Articles of Incorporation and Japan Corporation Law — 4. Transactions requiring Shareholders approval" for circumstances under which a resolution of our Shareholders are required under our Articles and/or the Japan Companies Act.

Under our Articles, our Company is not allowed to issue any class of shares other than our common Shares* (普通株式). Our Articles therefore do not contain any provision as to the circumstances where a separate class meeting is required.