**[COMPANY NAME]**

**SERIES [1] J-KISS INVESTMENT AGREEMENT**

THIS SERIES [1] J-KISS INVESTMENT AGREEMENT (the “***Agreement***”) is made as of \_\_\_\_\_\_ \_\_, 20\_\_ by and between [*insert company name*], a Japanese joint stock corporation (*kabushiki kaisha*) (the “***Company***”), and [*insert investor name*] (the “***Investor***”).

# Definitions

. Unless otherwise provided herein, capitalized terms used herein and variations thereof shall have the meanings set forth in this Agreement or in Schedule 1:

### “***Companies Act***” shall mean the Companies Act (*kaisha-hou*) (Law No.86 (July 26, 2005)) of Japan, as amended.

### “***Closing***” shall mean the closing of the subscription of J-KISS pursuant to Section 2 of this Agreement.

### “***Equity Securities***” shall mean the Company’s Common Stock or Preferred Stock or any securities conferring the right to purchase the Company’s Common Stock or Preferred Stock or securities convertible into, or exchangeable for (with or without additional consideration), the Company’s Common Stock or Preferred Stock (including the Stock Acquisition Rights), except any security granted, issued and/or sold by the Company to any director, officer, employee or consultant of the Company in such capacity for the primary purpose of soliciting or retaining their services.

### “***Exercise Notice***” shall mean a notice in writing, in the form set forth in Schedule 2, to be executed by the Investor and stating the Investor’s intention to exercise a particular J-KISS.

### “***Financial Statements***” shall mean an income statement, balance sheet, statement of stockholders’ equity, and/or a statement of cash flows, in each case as of the end of (i) each of the first three (3) fiscal quarters and (ii) each fiscal year of the Company.

### “***Holder***” shall mean a member of the J-KISS Group that holds a Stock Acquisition Right in the Series (including, without limitation, the Investor, for so long as the Investor holds this J-KISS).

### “***J-KISS***”, “***J-KISSes***”, “***Right***” or “***Rights***” shall mean all or any part of the J-KISS Group subscribed by the Investor.

### “***J-KISS Group***” shall mean the holders of any Stock Acquisition Rights in the Series, collectively.

### “***Majority in Interest***” shall mean members of the J-KISS Group holding a majority in interest of the aggregate Purchase Prices of all Stock Acquisition Rights in the Series.

### “***Participation Amount***” shall mean an amount in Japanese yen equal to two times (2X) the Purchase Price.

### “***Series***” shall mean collectively the Stock Acquisition Rights issued by the Company to investors with identical terms and conditions as those set forth in Schedule 1 of this Agreement except that for the Investor, the Purchase Price and Date of Issuance may differ for each stock acquisition right.

### “***Series [1] J-KISS***” shall mean the series of Stock Acquisition Rights under the Companies Act issued pursuant to the resolution of the shareholders of the Company, the terms and conditions of which are set forth in Schedule 1 of this Agreement.

### “***Stock Acquisition Rights***” shall mean share options (*shinkabu yoyakuken*) prescribed in item 21, paragraph 1, Article 2 of the Companies Act.

# Subscription of Series 1 J-KISS

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## Subscription and Issuance

. Subject to the terms and conditions of this Agreement, the Investor shall subscribe at the Closing, and the Company shall issue to the Investor at the Closing, \_\_ J-KISSes (the “***Subscribed J-KISS***”) at a subscription price of JPY [1,000,000] per J-KISS.

## Closing. On the Date of Issuance, the Investor shall pay via wire transfer the total subscription price for the Subscribed J-KISS (the “***Purchase Price***”) to the bank account to be designated by the Company. Upon receipt of the foregoing wire transfer, the Company shall deliver to the Investor a copy of the updated stock acquisition right holders roster (*shinkabu yoyakuken genbo*) of the Company reflecting the issuance of the Subscribed J-KISS purchased by the Investor.

## Update of Commercial Registration. Within 30 business days after the Date of Issuance, the Company shall deliver to the Investor a copy of the commercial registration of the Company reflecting the issuance of the Subscribed J-KISS.

## Mechanics of Conversion. As promptly as practicable after the occurrence of the automatic conversion of the J-KISS or the delivery of the Exercise Notice by the Investor, the Company at its expense will issue and deliver to the Investor a share certificate or certificates for the number of Conversion Shares; provided, however, that if the Company’s then current Articles of Incorporation (*teikan*) does not require the issuance of share certificates, then the Company shall deliver to the Investor a copy of the updated shareholders roster (*kabunushi meibo*) of the Company reflecting the automatic conversion of the J-KISS or the Investor’s exercise of the J-KISS, as applicable. For the avoidance of doubt, exercise of the J-KISS may be made contingent upon the conditions set forth in Schedule 1 of this Agreement.

# Representations and Warranties of the Company

. In connection with the transactions provided for herein, the Company hereby represents and warrants to the Investor, as of the date of this Agreement and the Date of Issuance, that:

## Organization, Good Standing and Qualification

. The Company is a corporation duly organized, validly existing, and in good standing under the laws of Japan and has all requisite corporate power and authority to carry on its business as now conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business or properties.

## Authorization

. All corporate action has been taken on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Agreement and the issuance of the J-KISS. The Company has taken all corporate action required to make all of the obligations of the Company reflected in the provisions of this Agreement and the J-KISS the valid and enforceable obligations they purport to be, and this Agreement and the J-KISS, when executed and delivered or issued by the Company, shall constitute the valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms.

## Offering.

Subject in part to the truth and accuracy of the Investor’s representations set forth herein, the offer, sale and issuance of the J-KISS are exempt from the registration requirements of any applicable securities laws, and neither the Company nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemption.

## Compliance with Other Instruments

. The execution, delivery and performance of this Agreement and the J-KISS, and the consummation of the transactions contemplated hereby, will not constitute or result in a default, violation, conflict or breach in any material respect of any provision of the Company’s current Articles of Incorporation (*teikan*) or other internal rules, or in any material respect of any instrument, judgment, order, writ, decree, privacy policy or contract to which it is a party or by which it is bound, or, to its knowledge, of any provision of any statute, rule or regulation applicable to the Company.

## Valid Issuance of Stock

. The Conversion Shares, when issued, sold and delivered upon automatic conversion or exercise of the J-KISS, will be duly authorized and validly issued, fully paid and nonassessable, will be free of restrictions on transfer other than restrictions on transfer set forth herein and pursuant to applicable securities laws and, based in part upon the representations and warranties of the Investor herein, will be issued in compliance with all applicable securities laws.

## Intellectual Property

. To its knowledge, the Company owns or possesses or believes it can acquire on commercially reasonable terms sufficient legal rights to all patents, patent applications, trademarks, trademark applications, service marks, tradenames, copyrights, trade secrets, licenses, domain names, mask works, information and proprietary rights and processes as are necessary to the conduct of its business as now conducted and as presently proposed to be conducted without any known conflict with, or infringement of, the rights of others. The Company has not received any communications alleging that the Company has violated or, by conducting its business, would violate any of the patents, trademarks, service marks, tradenames, copyrights, trade secrets, mask works or other proprietary rights or processes of any other person.

## Litigation

. To the Company’s knowledge, there is no private or governmental action, suit, proceeding, claim, arbitration or investigation pending before any agency, court or tribunal, foreign or domestic, or threatened against the Company or any of its properties or any of its officers or managers (in their capacities as such). There is no judgment, decree or order against the Company, or, to the knowledge of the Company, any of its directors or managers (in their capacities as such), that could prevent, enjoin, or materially alter or delay any of the transactions contemplated by this Agreement or the J-KISS, or that could reasonably be expected to have a material adverse effect on the Company.

## Anti-social Forces. Neither the Company nor its directors, officers, employees, stockholders or primary clients (the “**Company Related Parties**”) is a group or an individual that pursue economic benefit by making full use of violence, force or any other fraudulent means (the “**Anti-Social Forces**”). No Anti-Social Force is involved in the management or business of the Company. Neither the Company nor any of the Company Related Parties is supporting or involved with the Anti-Social Forces in their existence or activity by providing funds or any other acts, or associating with such Anti-Social Forces.

3.9 Disclosure. Neither this Agreement nor any other documents delivered in connection herewith, when taken as a whole, contain any untrue statement of a fact or omit to state a fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

# Representations and Warranties of the Investor

. In connection with the transactions provided for herein, the Investor hereby represents and warrants, as of the date of this Agreement and the Date of Issuance, to the Company that:

## Authorization

. This Agreement constitutes the Investor’s valid and legally binding obligation, enforceable in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, or similar laws relating to or affecting the enforcement of creditors’ rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

## Purchase Entirely for Own Account

. The Investor acknowledges that the J-KISS subscribed by the Investor pursuant to this Agreement is issued to the Investor in reliance upon the Investor’s representation to the Company that the J-KISS will be acquired for investment for the Investor’s own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same.

## Investment Experience

. The Investor is an investor in securities of companies in the development stage and acknowledges that it is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment made pursuant to this Agreement. The Investor also represents it has not been organized solely for the purpose of acquiring the Subscribed J-KISS.

4.4 Anti-social Forces. Neither the Investor nor its directors, officers, employees, stockholders or primary clients (the “**Investor Related Parties**”) is an Anti-Social Force. No Anti-Social Force is involved in the management or business of the Investor. Neither the Investor nor any of the Investor Related Parties is supporting or involved with the Anti-Social Forces in their existence or activity by providing funds or any other acts, or associating with such Anti-Social Forces.

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# Miscellaneous

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## Most Favored Nation. In the event the Company sells or issues any convertible instruments including any Stock Acquisition Rights (other than the issuance of stock options to service providers of the Company) at any time prior to the earlier of (a) the automatic conversion of the J-KISS or (b) the exercise of all the J-KISSes by the Investor, the Company shall provide the Investor with written notice of such sale or issuance no later than five (5) days after the closing date thereof, including the price and terms of such convertible instruments (the “***Subsequent Instruments***”). In the event the Investor determines, in its sole and absolute discretion, that any Subsequent Instrument contains terms more favorable to the holder(s) thereof than the terms set forth in the J-KISS, the Investor may elect to exchange the J-KISS for a Subsequent Instrument.

## Major Investor Rights. In the event the Investor, together with its affiliates, purchases one or more KISSes with an aggregate Purchase Price equal to or exceeding [5,000,000] yen (a “***Major Investor***”), the Company shall provide such Major Investor with the following rights:

### Information Rights. The Company shall deliver to the Major Investor its Financial Statements upon request, as soon as practicable, but in any event within thirty (30) days after the end of each of the first three (3) quarters of each fiscal year of the Company and within ninety (90) days after the end of each fiscal year of the Company. Such Financial Statements shall be in reasonable detail and prepared on a consistent basis. Additionally, regardless of whether the Company prepares Financial Statements, the Company shall deliver to the Major Investor such information relating to the financial condition, business or corporate affairs of the Company as such Major Investor may from time to time reasonably request. Notwithstanding anything to the contrary in this Section 5.2(a), the Company shall not be obligated under this Section 5.2(a) to provide information that (x) it deems in good faith to be a trade secret or highly confidential information or (y) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel; and the Investor agrees to maintain the confidentiality of all of the information provided to the Investor under this Section 5.2(a) and agrees not to use such information other than for a purpose reasonably related to the Investor’s investment in the Company.

### Participation Rights. Each time the Company proposes to offer any Equity Securities at any time through and including the closing of the Next Equity Financing, the Company shall provide the Major Investor with at least ten (10) business days prior written notice of such offering, including the price and terms thereof. The Major Investor shall have a right of first offer to participate in such offering(s), on the same terms and for the same price as all other investors in such offering(s), by purchasing an aggregate number of Equity Securities (whether in one offering or across multiple offerings) valued at up to the Participation Amount. The Major Investor’s right of first offer set forth in this Section 5.2(b) shall be subject to compliance with applicable securities laws.

### “Major Investor” Rights. The Company shall ensure that the Major Investor shall be deemed to be a “Major Investor” (or such similar term) for all purposes, including, without limitation, rights of first offer and information rights, in relevant financing documents related to all subsequent sales of Equity Securities, to the extent such concept exists.

## Transfer of J-KISS.

### Any attempt by the Investor to transfer any J-KISS in violation of any provision of this Agreement or the terms of this J-KISS will be void. No J-KISS shall be transferred by the Investor unless (i) such transfer is made in compliance with all of the terms of this Agreement and J-KISS and (ii) prior to such transfer, the transferee signs a counterpart to this Agreement pursuant to which it agrees to be bound by the terms of this Agreement.

### Notwithstanding the foregoing, the Investor may transfer the J-KISSes and all rights and obligations hereunder to its Affiliate upon delivery of prior written notice of such transfer to the Company; *provided* that the J-KISSes shall at all times remain subject to the terms and restrictions set forth in this Agreement and such transferee delivers a counterpart signature page to this Agreement as confirmation that it shall be bound by all of the terms and conditions of this Agreement as if it had originally been named an Investor herein. For purposes of this Section 5.3(b), “**Affiliate**” means, with respect to any specified person, any other person who, directly or indirectly, controls, is controlled by, or is under common control with such person.

### The Company shall obtain the approval of its shareholders or the board of directors, as the case may be, as to any transfer of a J-KISS in compliance with this Section 5.3.

## Payment. All payments, if any, shall be made in lawful money of Japan. Payment shall be credited first to Costs (as defined below), if any, then to the Corporate Transaction payment. The Company hereby waives demand, notice, presentment, protest and notice of dishonor.

## Costs, Expenses and Attorneys’ Fees; Indemnity. The Company hereby agrees, subject only to any limitation imposed by applicable law, to pay all expenses, including reasonable attorneys’ fees and legal expenses, incurred by the holder of the J-KISS in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by declaration or otherwise (“***Costs***”). The Company agrees that any delay on the part of the holder in exercising any rights hereunder will not operate as a waiver of such rights. The holder of this KISS shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid unless in writing and signed by the party or parties waiving such rights or remedies. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement or the J-KISS, the prevailing party shall be entitled to reasonable attorneys’ fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled. The Company shall indemnify and hold the Investor harmless from any loss, cost, liability and legal or other expense, including attorneys’ fees of the Investor’s counsel, which the Investor may directly or indirectly suffer or incur by reason of the failure of the Company to perform any of its obligations under this Agreement or the J-KISS or any agreement executed in connection herewith; provided, however, that the indemnity agreement contained in this Section 5.4 shall not apply to liabilities which the Investor may directly or indirectly suffer or incur by reason of the Investor’s own gross negligence or willful misconduct.

## Successors and Assigns. The terms and conditions of this Agreement and the J-KISS shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto; provided, however, that the Company may not assign its obligations under this Agreement or the J-KISS without the prior written consent of the Investor.

## Governing Law; Jurisdiction. This Agreement and the J-KISS shall be governed by and construed under the laws of Japan, regardless of the laws that might otherwise govern under applicable principles of conflicts of law. With respect to any disputes arising out of or related to this Agreement, the parties consent to the exclusive jurisdiction of the Tokyo District Court in the first instance.

## Notices. All notices and other communications given or made pursuant to this Agreement and the J-KISS shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or: (a) personal delivery to the party to be notified, (b) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient’s next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid.

## Financing Agreements. The Investor understands and agrees that the exercise or conversion of the J-KISS into Conversion Shares may require the Investor’s execution of certain agreements relating to the purchase and sale of such securities as well as registration, co‑sale, rights of first refusal, rights of first offer and voting rights, if any, relating to such securities. The Investor agrees to execute all such agreements in connection with the exercise or conversion so long as the issuance of Conversion Shares issued pursuant to the exercise or conversion of the J-KISS are subject to the same terms and conditions applicable to the Preferred Stock sold in the Next Equity Financing.

## Severability. If one or more provisions of this Agreement or the J-KISS are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of this Agreement and the J-KISS shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

## Acknowledgement. For the avoidance of doubt, it is acknowledged that the Investor shall be entitled to the benefit of all adjustments in the number of shares of Common Stock of the Company issuable upon conversion of the Preferred Stock of the Company or as a result of any splits, recapitalizations, combinations or other similar transaction affecting the Common Stock or Preferred Stock underlying the Conversion Shares that occur prior to the conversion of the J-KISS.

## Further Assurance. From time to time, the Company shall execute and deliver to the Investor such additional documents and shall provide such additional information to the Investor as the Investor may reasonably require to carry out the terms of this Agreement and the J-KISS and to be informed of the financial and business conditions and prospects of the Company.

## Entire Agreement; Amendments and Waivers. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof. The Company’s agreements with each Holder are separate agreements, and the sales of the J-KISSes to each Holder are separate sales. Nonetheless, any term of the Stock Acquisition Rights in the Series may be amended and the observance of any term of the Stock Acquisition Rights in the Series may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Majority in Interest and the Investor agrees to execute all documents and instruments necessary to effectuate such amendment or waiver as required by the Majority in Interest; provided, however, that Sections 5.2 (if and only if Investor is a Major Investor), 5.3, 5.5, 5.12 and 5.13 may not be amended or waived without the written consent of the Investor. Any waiver or amendment effected in accordance with this Section 5.13 shall be binding upon the Company and each current and future member of the J-KISS Group.

## Priority

. The Subscribed J-KISS shall rank pari passu in all respects (including right of payment) to all other J-KISSes and all convertible indebtedness of the Company, now or hereafter existing.

## Exculpation Among Holders

. Each Holder acknowledges that it is not relying upon any person, firm, corporation or stockholder, other than the Company and its officers and directors in their capacities as such, in making its investment or decision to invest in the Company. Each Holder agrees that no other Holder nor the respective controlling persons, officers, directors, partners, agents, stockholders or employees of any other Holder shall be liable for any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the purchase and sale of the J-KISSes.

5.16 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**[Insert company name]**

By:

Name:

Title:

Address:

**[Insert investor name]**

Insert investor’s signature block

*（Signature Page to Series [1] J-KISS Investment Agreement）*

SCHEDULE 1

第[1]回J-KISS型新株予約権

発行要項

第[1]回J-KISS型新株予約権（以下「本新株予約権」という。）の募集要項は以下のとおりである。

1. 発行会社 ＿＿＿＿＿（以下「当会社」という。）
2. 新株予約権の数 ＿個
3. 払込金額 新株予約権1個あたり[100]万円（以下「本新株予約権の発行価額」という。）

4.　割当日・払込期日 20＿年＿月＿日（以下「割当日」という。）

5.　新株予約権の内容

(1) 新株予約権の目的である株式の種類及び数

本新株予約権の目的たる株式の種類（以下「転換対象株式」という。）は当会社の普通株式とする。但し、次回株式資金調達において発行する株式が普通株式以外の種類株式である場合には、当該種類株式（但し、その発行価額が転換価額と異なる場合には、1株あたり残余財産優先分配額及び当該種類株式の取得と引き換えに発行される普通株式の数の算出上用いられる取得価額は適切に調整される。）とする。

本新株予約権の行使により当会社が転換対象株式を新たに発行し、又はこれに替えて当会社の保有する転換対象株式を処分する数は、本新株予約権の発行価額の総額を転換価額で除して得られる数とする。但し、本新株予約権の行使により1株未満の端数が生じるときは、1株未満の端数は切り捨て、現金による調整は行わない。

(2) 転換価額

(a) 「転換価額」とは、以下のうちいずれか低い額（小数点以下切上げ）をいう。

(x) 割当日以降に資金調達を目的として当会社が行う（一連の）株式の発行（当該発行に際し転換により発行される株式の発行総額を除く総調達額が[100,000,000]円以上のものに限るものとし、以下「次回株式資金調達」という。）における1株あたり発行価額に[0.8]を乗じた額

(y) ＿＿＿＿＿円（以下「評価上限額」という。）を次回株式資金調達の払込期日（払込期間が設定された場合には、払込期間の初日）の直前における完全希釈化後株式数で除して得られる額

なお、「完全希釈化後株式数」とは、当会社の発行済普通株式の総数（但し、自己株式を除く。）をいう。但し、完全希釈化後株式数の算出上、普通株式以外の株式等（但し、本新株予約権及び転換価額の定めを除き本新株予約権と同一の条件を有する新株予約権を除く。）についてはその時点で全て普通株式に転換され又は当該株式等に付された権利が行使され普通株式が発行されたものと仮定し、本号(c)の場合を除き、当会社において発行を決定し未だ未発行の新株予約権があるときは、当該新株予約権のすべてが行使され普通株式が発行されたものと仮定する。「株式等」とは、当会社の株式、新株予約権、新株予約権付社債及びその他当会社の株式を取得できる権利をいう。

(b) 前号にかかわらず、割当日の18ヶ月後の応当日（以下「転換期限」という。）以降における転換価額は、評価額上限を第(5)(b)号に基づく承認がなされた日における完全希釈化後株式数で除して得られる額（小数点以下切上げ）とする。

(c) 前二号にかかわらず、次回株式資金調達の実行日又は転換期限以前に支配権移転取引等を当会社が承認した場合における転換価額は、評価額上限を当該支配権移転取引等の実行日における完全希釈化後株式数で除して得られる額（小数点以下切上げ）とする。

なお、「支配権移転取引等」とは、(i) 当会社の資産の全部又は実質的に全部の売却、譲渡その他の処分、(ii) 合併、株式交換又は株式移転（但し、かかる行為の直前における当会社の株主が、存続会社又は完全親会社の総株主の議決権の過半数を有することになる場合を除く。）、(iii) 吸収分割又は新設分割（但し、当会社の事業の全部又は実質的に全部が承継される場合に限り、かかる行為の直前における当会社の株主が、承継会社又は新設会社の総株主の議決権の過半数を有することになる場合を除く。）、(iv) 当会社の株式等の譲渡又は移転（但し、かかる取引の直前における当会社の株主が、当該取引の直後において引き続き総株主の議決権の過半数を保有することになる場合を除く。）、又は(v) 当会社の解散もしくは清算をいう。但し、かかる行為が当会社の持株会社（当会社の完全親会社であり、当会社の株主がかかる行為の直前における当会社の議決権比率と実質的に同比率にて株式を保有することになる会社をいう。）の設立を目的として行われる場合、又は純粋な資金調達を目的として株式の発行又は処分が行われる場合を除く。

(3) 本新株予約権の行使に際して出資される財産の価額又はその算定方法

各本新株予約権の行使に際して出資すべき価額は1円とする。

(4) 本新株予約権を行使することができる期間

各本新株予約権は、割当日の翌日以降、いつでも行使することができる。

(5) 本新株予約権の行使の条件

(a) 本新株予約権は、次回株式資金調達が発生することを条件として行使することができる。但し、次回株式資金調達が転換期限までに発生しない場合、又は次回株式資金調達の実行日若しくは転換期限以前に支配権移転取引等を当会社が承認した場合はこの限りではない。

(b) 前(a)号にかかわらず、次回株式資金調達が転換期限までに発生しない場合における本新株予約権の行使は、本新株予約権（転換価額の定めを除き本新株予約権と同一の条件を有する新株予約権を含む。以下本(b)号において同じ。）の発行価額の総額の過半数の本新株予約権の保有者がこれを承認した場合に限り行うことができる。

(6) 株式を対価とする本新株予約権の取得条項

(a) 当会社は、次回株式資金調達を行うことを決定した場合、当該取引の実行日までの日であって当会社の株主総会（当会社が取締役会設置会社である場合には取締役会）が別に定める日において、その前日までに行使されなかった本新株予約権をすべて取得するものとし、当会社は本新株予約権を取得するのと引換えに、当該本新株予約権の発行価額をその時点における転換価額で除して得られる数の転換対象株式を交付する。なお、上記の転換対象株式の数の算出にあたって1株に満たない端数が生じたときは、会社法第234条の規定に従って金銭を交付する。

(b) 前(a)号の定めにより本新株予約権を取得する場合、当会社は、取得日の2週間前までに本新株予約権の保有者に対して、その旨及び転換対象株式の内容その他当該次回株式資金調達における株式発行の条件を書面にて通知するものとする。

(7) 金銭を対価とする本新株予約権の取得条項

(a) 当会社が支配権移転取引等を行うことを決定した場合、当該取引の実行日までの日であって当会社の株主総会（当会社が取締役会設置会社である場合には取締役会）が別に定める日において、その前日までに行使されなかった本新株予約権をすべて取得するのと引換えに、各本新株予約権につき本新株予約権の発行価額の2倍に相当する金銭を交付する。

(b) 当会社は、前(a)号に基づき本新株予約権を取得する日（当該日を定めなかった場合には支配権移転取引等の実行日）の2週間前までに本新株予約権の保有者に対して、支配権移転取引等の条件を書面で通知するものとする。

(8) 譲渡制限

譲渡による新株予約権の取得については、株主総会（当社が取締役会設置会社である場合には取締役会）の承認を要する。

(9) 資本金および資本準備金に関する事項

(a) 新株予約権の行使により株式を発行する場合において増加する資本金の額は、会社計算規則第17条第1項に従い算出される資本金等増加限度額の2分の1の金額とし、計算の結果端数が生じたときは、その端数を切上げるものとする。

(b) 新株予約権の行使により株式を発行する場合において増加する資本準備金の額は、上記(a)記載の資本金等増加限度額から同(a)に定める増加する資本金の額を減じた額とする。

[Translation]

SERIES [1] J-KISS

STOCK ACQUISITION RIGHTS

The terms and conditions for the Series [1] J-KISS Stock Acquisition Rights (the “***Rights***”) are as follows:

1. Issuer: [*insert company name*] (the “***Company***”)

2. Number of Stock Acquisition Rights: \_\_ Rights

3. Amount to be paid in: [1,000,000] yen per Stock Acquisition Right (the “***Rights Issue Price***”)

4. Grant date or payment date: \_\_\_\_\_\_\_\_ \_\_, 20\_\_ (the “***Date of Issuance***”)

5. Terms of Stock Acquisition Rights

(1) Class and number of shares underlying the Rights

The class of shares underlying the Rights (the “***Conversion******Shares***”) shall be the Company’s Common Stock; provided, however, that if the shares to be issued in the Next Equity Financing are class shares other than Common Stock, then the Conversion Shares shall be those class shares (however, should their issue price differ from the Conversion Price, then the amount of liquidation preference per share and the conversion price used in the calculation of the number of shares of Common Stock to be issued in exchange for such class shares shall be adjusted appropriately).

The number of Conversion Shares to be issued upon exercise of the Rights (or the number of Conversion Shares to be disposed of in lieu of such new issuance) shall be the number obtained by dividing the total amount of the Rights Issue Price by the Conversion Price. Any fraction resulting from an exercise of the Rights shall be rounded down and no cash adjustment shall be made.

(2) Conversion Price

(a) “***Conversion Price***” shall mean the lower of (x) and (y) below (rounding any fraction up to the nearest yen).

(x) The amount obtained by multiplying the issue price per share in an issuance (or a series of related issuances) of shares by the Company for financing purposes following the Date of Issuance from which the Company receives gross proceeds of not less than [100,000,000] yen (excluding the aggregate amount of securities to be issued as a result of conversion in connection with such issuance) (such financing, the “***Next Equity Financing***”) by [0.8].

(y) The amount obtained by dividing \_\_\_\_\_\_\_ yen (the “***Valuation Cap***”) by the Fully-Diluted Capitalization immediately before the payment date (or the initial date of the payment period if such period is set) of the Next Equity Financing.

“***Fully-Diluted Capitalization***” shall mean the number of outstanding shares of Common Stock of the Company (less treasury shares). In calculating the Fully- Diluted Capitalization, any Convertible Securities other than Common Stock (excluding the Rights) shall be regarded as having been converted into shares of Common Stock at the time of calculation, or shares of Common Stock shall be regarded as having been issued on the exercise of the rights attached to such Convertible Securities at the time of calculation, and except for in the case of sub-paragraph (b) below, if there are stock acquisition rights authorized for issuance but not yet issued, then shares of Common Stock shall be regarded as having been issued upon exercise of all such rights. “***Convertible Securities***” shall mean Company shares, stock acquisition rights, bonds with stock acquisition rights and any rights that allow for the acquisition of Company shares.

(b) Notwithstanding sub-paragraph (a) above, the Conversion Price following the date corresponding to 18 months after the Date of Issuance (the “***Maturity Date***”) shall be the amount (rounding up any fractions) obtained by dividing the Valuation Cap by the Fully-Diluted Capitalization on the closing date of the Corporate Transaction.

(c) Notwithstanding the preceding two sub-paragraphs, the Conversion Price at which the Company has approved a Corporate Transaction prior to the closing of the Next Equity Financing or the Maturity Date shall be the amount (rounding up any fractions) obtained by dividing the Valuation Cap by the Fully-Diluted Capitalization on the closing date of the Corporate Transaction.

“***Corporate Transaction***” shall mean (i) a sale, transfer, or other disposition of all or substantially all of the Company’s assets, (ii) a merger, share-for-share exchange (*kabushiki kokan*), or share transfer (*kabushiki iten*) (except a transaction in which the holders of capital stock of the Company immediately prior to such transaction continue to hold more than 50% of the voting power of the capital stock of the surviving company or a 100% parent company), (iii) an absorption-type corporate split or incorporation-type corporate split (limited to where all or substantially all businesses of the Company are to be succeeded to and excludes where the holders of capital stock of the Company immediately prior to such transaction continue to hold more than 50% of the voting power of the capital stock of the succeeding company or the newly incorporated company), (iv) an assignment of all or substantially all of the Convertible Securities of the Company (except a transaction in which the holders of capital stock of the Company immediately prior to such transaction will immediately after the transaction continue to hold more than 50% of the voting power of the capital stock of the assignee company), or (v) the dissolution or liquidation of the Company; provided, however, that a transaction shall not constitute a Corporate Transaction if its sole purpose is the incorporation of a holding company of the Company (which means the 100% parent company of the Company where the shareholders of the Company will come to hold shares in substantially the same ratios as the ratio of voting rights in the Company immediately before the transaction), and where shares are to be issued or disposed of in a bona fide financing transaction.

(3) Value of property to be contributed upon exercise of the Rights, or its calculation method

The price required to be contributed upon exercise of a Right shall be 1 yen.

(4) Exercisable Period of the Rights

Each Right may be exercised at any time after the day following the Date of Issuance.

(5) Conditions to exercise of the Rights

(a) The Rights may be exercised upon occurrence of the Next Equity Financing; provided, however, that this sub-paragraph shall not apply if the Next Equity Financing has not occurred by the Maturity Date, or if the Corporate Transaction is approved by the Company prior to the closing of the Next Equity Financing or the Maturity Date.

(b) Notwithstanding sub-paragraph (a) above, where the Next Equity Financing has not occurred by the Maturity Date, the Rights may be exercised only if the holders of the Rights (including stock acquisition rights with the same terms as the Rights except for the conversion price; the same applies hereafter in this sub-paragraph (b)) holding more than 50% in the aggregate amount of the issue price of the Rights approve such exercise.

(6) Automatic conversion of the Rights in exchange for shares

(a) If the Company determines to undertake a Next Equity Financing, then on a date as determined by the general meeting of shareholders (or, if the Company has a board of directors in place, by the board of directors) of the Company, which shall be prior to the closing of such Next Equity Financing, the Company shall acquire all of the outstanding Rights as of the day before such date, and in exchange for the acquisition of the Rights, the Company shall issue Conversion Shares in the number obtained by dividing the Rights Issue Price by the Conversion Price at that time. Any fraction as a result of calculating Conversion Shares shall be exchanged into cash in accordance with Section 234 of the Companies Act.

(b) In acquiring the Rights pursuant to sub-paragraph (a) above, at least 2 weeks prior to the acquisition date, the Company shall notify the holders of the Rights in writing to that effect and of the terms of Conversion Shares and such other conditions for the issuance of shares in the Next Equity Financing.

(7) Automatic conversion of the Rights in exchange for cash

(a) If the Company determines to undertake a Corporate Transaction, then on a date as determined by the general meeting of shareholders (or, if the Company has a board of directors in place, then by the board of directors) of the Company, which shall be prior to the closing of such Corporate Transaction, the Company shall acquire all of the outstanding Rights as of the day before such date, and in exchange for the acquisition of the Rights, the Company shall deliver for each Right an amount of cash equivalent to 2 times the Rights Issue Price.

(b) The Company shall, at least 2 weeks prior to the acquisition date on which the Rights are to be acquired in accordance with sub-paragraph (a) above (or, if no such acquisition date is stipulated, at least 2 weeks prior to the closing of the Corporate Transaction), notify the holders of the Rights in writing of the terms of the Corporate Transaction.

(8) Restriction on transfer

Any acquisition of stock acquisition rights by assignment requires the approval of the board of directors (or if the Company does not have a board of directors in place, by the general meeting of shareholders).

(9) Matters regarding stated capital and capital reserve

(a) The amount by which capital will increase if shares are issued on the exercise of stock acquisition rights shall be 50% of the maximum amount of increase in capital, etc., calculated in accordance with Article 17, Paragraph 1, of the Company Accounting Ordinance, and if any fractions arise in that calculation, they will be rounded up.

(b) The amount by which the capital reserve will increase if shares are issued on the exercise of stock acquisition rights shall be the amount calculated by deducting the maximum amount of increase in capital, etc., provided for in (a) above from the amount by which the capital will increase as provided for in (a) above.

SCHEDULE 2

**EXERCISE NOTICE**

To: [company name]

[address]

[attention]

[fax#]

The undersigned hereby irrevocably elects to exercise the Series [1] J-KISS Stock Acquisition Right(s) (the “***Right(s)***”) to acquire shares of the [Common]/[Preferred] Stock of [insert company name]. according to the terms and conditions of the Rights set forth in “SERIES 1 J-KISS STOCK ACQUISITION RIGHTS” and as detailed below.

|  |  |
| --- | --- |
| Exercise Date (DD MM YYYY): | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Total number of Stock Acquisition Right(s) being exercised: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Resulting number of shares of [Common]/[Preferred] Stock deliverable upon exercise: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |
| [Name and address of the person to whom cash adjustment (if applicable) shall be paid]: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

Date:

**[*Insert investor name*]**

[*Insert investor signature block*]