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(Stock Exchange Code 7545)  
April 26, 2016

**To Shareholders with Voting Rights:**

Yoshifumi Ohmura  
President and Director  
Nishimatsuya Chain Co., Ltd.  
266-1, Shikitochocho, Himeji-shi, Hyogo,  
Japan

**NOTICE OF  
THE 60TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 60th Annual General Meeting of Shareholders of Nishimatsuya Chain Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 6:00 p.m. on Monday, May 16, 2016, Japan time.

- 1. Date and Time:** Tuesday, May 17, 2016 at 10:00 a.m. Japan time
- 2. Place:** Large Hall, 2nd Floor, Main Building, The Himeji Chamber of Commerce and Industry  
43, Shimoderamachi, Himeji-shi, Hyogo, Japan
- 3. Meeting Agenda:**  
**Matters to be reported:** The Business Report and Financial Statements for the Company's 60th Fiscal Year (February 21, 2015 - February 20, 2016)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of One (1) Director  
**Proposal 3:** Election of One (1) Audit & Supervisory Board Member  
**Proposal 4:** Issuance of Subscription Rights to Shares as Stock Options to Directors  
**Proposal 5:** Issuance of Subscription Rights to Shares as Stock Options to Employees

End

(Notes)

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please bring this "Notice of Annual General Meeting of Shareholders" with you to save resources.

Revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report and Financial Statements will be posted on the Company's website (<http://www.24028.jp/>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The business environment surrounding the Company remains severe. However, based on stable and consistent profit returns to its shareholders, the Company proposes the year-end dividend for the fiscal year under review as described below in consideration of business performance, plans for new store openings and other factors.

1. Year-end dividend
  - (1) Type of dividend:  
Cash dividend
  - (2) Matters related to the allocation of assets to be paid as dividends and the total amount of dividends:  
The Company proposes paying a dividend of 10 yen per common share for a total of 652,113,810 yen. Combined with the interim dividend (9 yen per share), the total amount of the annual dividends for the fiscal year ended February 20, 2016 will be 19 yen per share.
  - (3) Effective date of payment of dividends from surplus:  
May 18, 2016
2. Other matters related to the appropriation of surplus
  - (1) Item and amount of surplus to be increased:  
General reserve: 2,600,000,000 yen
  - (2) Item and amount of surplus to be decreased:  
Retained earnings brought forward: 2,600,000,000 yen

**Proposal 2:** Election of One (1) Director

The number of Outside Directors is one (1) out of a total of six (6) incumbent Directors. We propose that the number of Outside Directors be increased by one (1) in order to further reinforce corporate governance. The candidate is as follows.

Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
Satoshi Hamada (October 3, 1952)	<p>April 1976      Joined Chuo Audit Corporation</p> <p>August 1981    Joined Asahi &amp; Co. (currently KPMG AZSA LLC)</p> <p>September 1984   Established Certified Public Accounting Firm Satoshi Hamada Business Accounting (to present)</p> <p>May 1994        Audit &amp; Supervisory Board Member, the Company (to present)</p> <p>June 2005        External Statutory Auditor, WDB Co., Ltd. (currently WDB Holdings Co., Ltd.) (to present)</p> <p>September 2014   Established Certified Tax Accounting Firm Hamada Accounts (to present)</p> <p>June 2015        Outside Corporate Auditor, GLORY LTD. (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Head, Satoshi Hamada Business Accounting (Certified Public Accountant)</li> <li>• Representative Partner, Certified Tax Accounting Firm Hamada Accounts (Certified Tax Accountant)</li> <li>• External Statutory Auditor, WDB Holdings Co., Ltd.</li> <li>• Outside Corporate Auditor, GLORY LTD.</li> </ul>	-

(Notes)

1. There are no special interests between the candidate for Director and the Company.
2. Mr. Satoshi Hamada is a candidate for Outside Director. Further, he is a candidate for an independent officer prescribed by Tokyo Stock Exchange, Inc.
3. Mr. Satoshi Hamada is nominated as a candidate for Outside Director, because the Company has judged that he will be able to execute his duties as Outside Director appropriately based on his extensive experience and knowledge as a certified public accountant. Mr. Satoshi Hamada is currently the Company's Outside Audit & Supervisory Board Member, and his term of office as Outside Audit & Supervisory Board Member will be twenty-two (22) years at the conclusion of this Annual General Meeting of Shareholders.
4. Mr. Satoshi Hamada currently serves as Audit & Supervisory Board Member, and is scheduled to resign at the conclusion of this Annual General Meeting of Shareholders.

**Proposal 3:** Election of One (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member Mr. Satoshi Hamada will resign at the conclusion of this Annual General Meeting of Shareholders. Accordingly, we propose the election of one (1) Audit & Supervisory Board Member.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidate is as follows.

This proposal is made to elect a substitute for Mr. Satoshi Hamada, and the term of office for the substitute shall be the same as the remaining term of office of the predecessor, as stipulated in the Company's Articles of Incorporation.

Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
Kaoru Mori (May 16, 1961)	<p>October 1986      Joined Chuo Audit Corporation</p> <p>September 1993      Joined Mitsuo Hasegawa Certified Tax Accountant Office (currently Hasegawa-Mori Accounting Office)</p> <p>January 2006      Head, Hasegawa-Mori Accounting Office (to present)</p> <p>March 2010      Outside Audit &amp; Supervisory Board Member, FUKUSHIN ELECTRIC CO., LTD. (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Head, Hasegawa-Mori Accounting Office (Certified Public Accountant)</li> <li>• Outside Audit &amp; Supervisory Board Member, FUKUSHIN ELECTRIC CO., LTD.</li> </ul>	-

(Notes)

1. There are no special interests between the candidate for Audit & Supervisory Board Member and the Company.
2. Ms. Kaoru Mori is a candidate for Outside Audit & Supervisory Board Member.
3. Ms. Kaoru Mori is nominated as a candidate for Outside Audit & Supervisory Board Member, because the Company has judged that she will be able to execute her duties as Outside Audit & Supervisory Board Member appropriately as she is a certified public accountant and possesses considerable knowledge in finance and accounting.

#### **Proposal 4:** Issuance of Subscription Rights to Shares as Stock Options to Directors

In regard to the amount of compensation as stock options to Directors, it has been approved by the 51st Annual General Meeting of Shareholders held on May 15, 2007 that subscription rights to shares shall be issued to Directors within an annual amount of 68,520,000 yen (of which, 2,500,000 yen to Outside Directors). We propose to issue the subscription rights to shares within such annual amount as described below.

Subject to the approval of Proposal 2, the number of Directors will be seven (7) (of which two (2) are Outside Directors).

##### **I. Reason to justify the issuance of subscription rights to shares as compensation to Directors**

Stock options will be implemented with the aim of enhancing sound management and social trust of the Company by bolstering Directors' motivation and morale toward improved performance.

The subscription rights to shares will be issued for the purpose of stock options as compensation at the price described in II.4. below, and value of the assets to be contributed upon exercise of the subscription rights to shares is determined based on the market value as described in II.5. below.

##### **II. Details of issuance of the subscription rights to shares**

###### **1. Persons to whom the subscription rights to shares will be allotted**

The Company's Directors (persons who newly assume office as Directors, etc.)

###### **2. Class and number of shares to be issued upon exercise of the subscription rights to shares**

Not exceeding 3,000 common shares of the Company per year.

In the event that the Company conducts a share split or share consolidation after the date of allotment of the subscription rights to shares, the number of shares subject to the subscription rights to shares shall be adjusted according to the following formula. Such adjustment, however, shall be made only to the number of shares subject to the subscription rights to shares which are not yet exercised at that point of time, and any fractions less than one (1) share resulting from the adjustment shall be rounded down.

$$\begin{array}{ccccc} \text{Number of shares} & & & & \\ \text{after adjustment} & = & \text{Number of shares} & \times & \text{Ratio of share split or} \\ & & \text{before adjustment} & & \text{share consolidation} \end{array}$$

Also, in the event that the Company conducts a merger or share exchange with another company, or a company split, or in any other cases that for unavoidable reasons require the adjustment of the number of shares subject to the subscription rights to shares, the Company may adjust the number of shares to a reasonable extent.

###### **3. Total number of the subscription rights to shares to be issued**

Not exceeding 30 units per year. (The number of shares subject to each unit of the subscription rights to shares shall be 100. However, in the event that the adjustment set forth in II.2. is made to the number of shares, adjustment shall be made in the same manner.)

###### **4. Cash payment for the subscription rights to shares**

No cash payment shall be required for the subscription rights to shares.

The issue amount shall be the amount calculated by the Black-Scholes Model as of the allotment date.

###### **5. Value of assets to be contributed upon exercise of the subscription rights to shares**

Assets to be contributed upon exercise of the subscription rights to shares shall be cash. The amount to be paid upon exercise of each unit of the subscription rights to shares shall be the amount obtained by multiplying the amount to be paid per share determined as set forth below (hereinafter referred to as the "Exercise Price") by the number of shares subject to each unit of the subscription rights to shares set forth in II.3.

The Exercise Price shall be the highest of the amount multiplying 1.05 and the average closing price of the Company's common shares in regular trading at the Tokyo Stock Exchange on each day (excluding days with no transactions) of the month prior to the month including the day of issuance of the subscription rights to shares (fractions less than one (1) yen shall be rounded up to the nearest

one (1) yen); the closing price of the Company's common shares in regular trading at the Tokyo Stock Exchange on the day of issuance of the subscription rights to shares (if there are no transactions on such day, the closing price of the immediately preceding day); or 1,165 yen.

In the event that the Company conducts a share split or share consolidation, the Exercise Price shall be adjusted according to the following formula, and any fractions less than one (1) yen resulting from such adjustment shall be rounded up to the nearest one (1) yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of share split or share consolidation}}$$

Also, the Company may adjust the Exercise Price in the event that the Company conducts a merger or share exchange with another company, or a company split.

In the event that the Company issues new shares or disposes of treasury stock at a price lower than the market price (excluding securities to be acquired by the Company or securities with rights of requesting acquisition by the Company, both in exchange for delivery of the Company's common shares, or exercise of subscription rights to shares through which delivery of the Company's common shares may be requested), the Exercise Price shall be adjusted according to the following formula, and any fractions less than one (1) yen resulting from such adjustment shall be rounded up to the nearest one (1) yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares issued} + \frac{\text{Number of common shares newly issued} \times \text{Amount to be paid per share}}{\text{Share price of common shares before issuing new shares}}}{\text{Number of shares issued} + \text{Number of common shares newly issued}}$$

In the formula above, "Number of shares issued" shall mean the number calculated by subtracting the number of treasury stock of common shares held by the Company from the total number of shares issued by the Company. In the event of disposal of treasury stock, "Number of common shares newly issued" and "Share price of common shares before issuing new shares" shall be replaced with "Number of treasury stock to be disposed of" and "Share price of common shares before disposal," respectively.

6. Exercise period of the subscription rights to shares  
From June 1, 2018 to May 31, 2020
7. Matters regarding capital stock and legal capital surplus to be increased by issuance of shares upon exercise of the subscription rights to shares
  - (1) In the event of new share issuance by exercising the subscription rights to shares, the amount of capital stock increased shall be half of the limit of increase in capital stock, etc. calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, and any fractions less than one (1) yen resulting from such calculation shall be rounded up to the nearest one (1) yen.
  - (2) In the event of new share issuance by exercising the subscription rights to shares, the amount of legal capital surplus increased shall be calculated by subtracting the amount of capital stock increased set forth in (1) above from the limit of increase in capital stock, etc. in (1) above.
8. Conditions for exercising the subscription rights to shares
  - (1) Those who received the allotment of the subscription rights to shares must be Directors, Audit & Supervisory Board Members or Executive Officers of the Company or its subsidiaries and associates at the time of exercise of the subscription rights to shares. However, this provision shall not apply to the cases where there are justifiable reasons such as retirement due to expiration of their term of office.

- (2) The successors of the persons who received the allotment of the subscription rights to shares shall not be able to exercise the subscription rights to shares.
  - (3) Other conditions for exercising the subscription rights to shares shall be determined by resolution of the Board of Directors.
9. Matters related to acquisition of the subscription rights to shares
- (1) The Company may acquire without consideration and cancel the subscription rights to shares by resolution of the Board of Directors if a proposal for approval of a merger agreement where the Company becomes a dissolving company, proposal for approval of a share exchange agreement where the Company becomes a wholly-owned subsidiary, or proposal for approval of a share transfer plan is approved at the General Meeting of Shareholders.
  - (2) When those who received the allotment of the subscription rights to shares no longer satisfy the conditions to exercise the subscription rights to shares, the Company may acquire the subscription rights to shares of such persons without consideration and cancel them by resolution of the Board of Directors.
10. Restriction on transfer of the subscription rights to shares
- Transfer of the subscription rights to shares shall require the approval of the Board of Directors.
11. Treatment of the subscription rights to shares upon implementation of reorganization
- If the Company conducts a merger (limited to the case where the Company becomes a dissolving company as a result of the merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (hereinafter collectively referred to as the “Reorganization Transaction”), under the following conditions, subscription rights to shares of a joint stock corporation specified in Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (hereinafter referred to as the “Reorganized Corporation”) shall be delivered to holders of subscription rights to shares that remain in effect as of the effective date of the Reorganization Transaction (hereinafter referred to as the “Remaining Subscription Rights to Shares”). In such cases, the Remaining Subscription Rights to Shares shall expire, and the Reorganized Corporation shall issue new subscription rights to shares. However, the foregoing shall be limited to cases where it is prescribed in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan that the subscription rights to shares of the Reorganized Corporation shall be issued under the following conditions:
- (1) Number of the subscription rights to shares of the Reorganized Corporation to be delivered:  
The same number of the subscription rights to shares shall be delivered as the number of the subscription rights to shares held by the holders of the Remaining Subscription Rights to Shares.
  - (2) Class of shares of the Reorganized Corporation subject to the subscription rights to shares:  
Common shares of the Reorganized Corporation
  - (3) Number of shares of the Reorganized Corporation subject to the subscription rights to shares:  
The number shall be determined in consideration of the conditions for the Reorganization Transaction.
  - (4) Value of assets to be contributed upon exercise of the subscription rights to shares:  
The value of assets to be contributed upon exercise of the subscription rights to shares for delivery shall be the amount obtained by multiplying the Exercise Price after reorganization calculated through adjustments, taking into consideration the conditions for the Reorganization Transaction, by the number of shares of the Reorganized Corporation subject to such subscription rights to shares as determined in (3) above.
  - (5) Exercise period of the subscription rights to shares:  
The period shall commence on the starting date of the exercise period of the Remaining Subscription Rights to Shares or the effective date of the Reorganization Transaction, whichever is later, and end on the expiration date of the exercise period of the Remaining Subscription Rights to Shares.

- (6) Amount of increase in capital stock and legal capital surplus when new shares are issued upon exercise of the subscription rights to shares:  
Amount of increase in capital stock and legal capital surplus shall be determined, taking into consideration the conditions of the Reorganization Transaction.
  - (7) Restriction on acquisition of the subscription rights to shares through transfer:  
Acquisition of the subscription rights to shares through transfer requires approval of the Board of Directors of the Reorganized Corporation.
  - (8) Other conditions for exercising the subscription rights to shares:  
The other conditions shall be determined in the same manner as described in II.8. above.
12. Other matters
- Other matters related to the subscription rights to shares shall be determined by resolution of the Board of Directors.



**Proposal 5:** Issuance of Subscription Rights to Shares as Stock Options to Employees

We propose to issue subscription rights to shares as stock options to the Company's employees without consideration, and to delegate to the Board of Directors the authority to determine the subscription requirements for the subscription rights to shares as described below.

**I. Reason for necessity of issuing the subscription rights to shares on particularly favorable conditions**

Stock options will be implemented with the aim of enhancing sound management and social trust of the Company by bolstering employees' motivation and morale toward improved performance.

**II. Details of issuance of the subscription rights to shares**

**1. Persons to whom the subscription rights to shares will be allotted**

The Company's employees (persons who have newly become eligible as defined by the Company, etc.)

**2. Class and number of shares to be issued upon exercise of the subscription rights to shares**

Not exceeding 350,000 common shares of the Company.

In the event that the Company conducts a share split or share consolidation after the date of allotment of the subscription rights to shares, the number of shares subject to the subscription rights to shares shall be adjusted according to the following formula. Such adjustment, however, shall be made only to the number of shares subject to the subscription rights to shares which are not yet exercised at that point of time, and any fractions less than one (1) share resulting from the adjustment shall be rounded down.

$$\begin{array}{ccccc} \text{Number of shares} & & & & \\ \text{after adjustment} & = & \text{Number of shares} & \times & \text{Ratio of share split or} \\ & & \text{before adjustment} & & \text{share consolidation} \end{array}$$

Also, in the event that the Company conducts a merger or share exchange with another company, or a company split, or in any other cases that for unavoidable reasons require the adjustment of the number of shares subject to the subscription rights to shares, the Company may adjust the number of shares to a reasonable extent.

**3. Total number of the subscription rights to shares to be issued**

Not exceeding 3,500 units. (The number of shares subject to each unit of the subscription rights to shares shall be 100. However, in the event that the adjustment set forth in II.2. is made to the number of shares, adjustment shall be made in the same manner.)

**4. Cash payment for the subscription rights to shares**

No cash payment shall be required for the subscription rights to shares.

**5. Value of assets to be contributed upon exercise of the subscription rights to shares**

Assets to be contributed upon exercise of the subscription rights to shares shall be cash. The amount to be paid upon exercise of each unit of the subscription rights to shares shall be the amount obtained by multiplying the amount to be paid per share determined as set forth below (hereinafter referred to as the "Exercise Price") by the number of shares subject to each unit of the subscription rights to shares set forth in II.3.

The Exercise Price shall be the highest of the amount multiplying 1.05 and the average closing price of the Company's common shares in regular trading at the Tokyo Stock Exchange on each day (excluding days with no transactions) of the month prior to the month including the day of issuance of the subscription rights to shares (fractions less than one (1) yen shall be rounded up to the nearest one (1) yen); the closing price of the Company's common shares in regular trading at the Tokyo Stock Exchange on the day of issuance of the subscription rights to shares (if there are no transactions on such day, the closing price of the immediately preceding day); or 1,165 yen.

In the event that the Company conducts a share split or share consolidation, the Exercise Price shall be adjusted according to the following formula, and any fractions less than one (1) yen resulting from such adjustment shall be rounded up to the nearest one (1) yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of share split or share consolidation}}$$

Also, the Company may adjust the Exercise Price in the event that the Company conducts a merger or share exchange with another company, or a company split.

In the event that the Company issues new shares or disposes of treasury stock at a price lower than the market price (excluding securities to be acquired by the Company or securities with rights of requesting acquisition by the Company, both in exchange for delivery of the Company's common shares, or exercise of subscription rights to shares through which delivery of the Company's common shares may be requested), the Exercise Price shall be adjusted according to the following formula, and any fractions less than one (1) yen resulting from such adjustment shall be rounded up to the nearest one (1) yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares issued} + \frac{\text{Number of common shares newly issued} \times \text{Amount to be paid per share}}{\text{Share price of common shares before issuing new shares}}}{\text{Number of shares issued} + \text{Number of common shares newly issued}}$$

In the formula above, "Number of shares issued" shall mean the number calculated by subtracting the number of treasury stock of common shares held by the Company from the total number of shares issued by the Company. In the event of disposal of treasury stock, "Number of common shares newly issued" and "Share price of common shares before issuing new shares" shall be replaced with "Number of treasury stock to be disposed of" and "Share price of common shares before disposal," respectively.

6. Exercise period of the subscription rights to shares  
From June 1, 2018 to May 31, 2020
7. Matters regarding capital stock and legal capital surplus to be increased by issuance of shares upon exercise of the subscription rights to shares
  - (1) In the event of new share issuance by exercising the subscription rights to shares, the amount of capital stock increased shall be half of the limit of increase in capital stock, etc. calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, and any fractions less than one (1) yen resulting from such calculation shall be rounded up to the nearest one (1) yen.
  - (2) In the event of new share issuance by exercising the subscription rights to shares, the amount of legal capital surplus increased shall be calculated by subtracting the amount of capital stock increased set forth in (1) above from the limit of increase in capital stock, etc. in (1) above.
8. Conditions for exercising the subscription rights to shares
  - (1) Those who received the allotment of the subscription rights to shares must be Directors, Audit & Supervisory Board Members, Executive Officers or employees of the Company or its subsidiaries and associates at the time of exercise of the subscription rights to shares.
  - (2) Notwithstanding the provision of the preceding item, those who received the allotment of the subscription rights to shares may exercise the subscription rights to shares in any of the following cases:
    - 1) Retirement from Director, Audit & Supervisory Board Member, Executive Officer of the Company or its subsidiaries and associates due to expiration of their term of office
    - 2) Mandatory age-limit retirement and other justifiable reasons
    - 3) In case of a contract employee, retirement due to completion of the employment period set forth in the employment contract, provided, however, that continuous years of service of

such employee for the Company must be five (5) years or more

- (3) The successors of the persons who received the allotment of the subscription rights to shares shall not be able to exercise the subscription rights to shares.
  - (4) Other conditions for exercising the subscription rights to shares shall be determined by resolution of the Board of Directors.
9. Matters related to acquisition of the subscription rights to shares
  - (1) The Company may acquire without consideration and cancel the subscription rights to shares by resolution of the Board of Directors if a proposal for approval of a merger agreement where the Company becomes a dissolving company, proposal for approval of a share exchange agreement where the Company becomes a wholly-owned subsidiary, or proposal for approval of a share transfer plan is approved at the General Meeting of Shareholders.
  - (2) When those who received the allotment of the subscription rights to shares no longer satisfy the conditions to exercise the subscription rights to shares, the Company may acquire the subscription rights to shares of such persons without consideration and cancel them by resolution of the Board of Directors.
10. Restriction on transfer of the subscription rights to shares

Transfer of the subscription rights to shares shall require the approval of the Board of Directors.
11. Treatment of the subscription rights to shares upon implementation of reorganization

If the Company conducts a merger (limited to the case where the Company becomes a dissolving company as a result of the merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (hereinafter collectively referred to as the “Reorganization Transaction”), under the following conditions, subscription rights to shares of a joint stock corporation specified in Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (hereinafter referred to as the “Reorganized Corporation”) shall be delivered to holders of subscription rights to shares that remain in effect as of the effective date of the Reorganization Transaction (hereinafter referred to as the “Remaining Subscription Rights to Shares”). In such cases, the Remaining Subscription Rights to Shares shall expire, and the Reorganized Corporation shall issue new subscription rights to shares. However, the foregoing shall be limited to cases where it is prescribed in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan that the subscription rights to shares of the Reorganized Corporation shall be issued under the following conditions:

  - (1) Number of the subscription rights to shares of the Reorganized Corporation to be delivered:

The same number of the subscription rights to shares shall be delivered as the number of the subscription rights to shares held by the holders of the Remaining Subscription Rights to Shares.
  - (2) Class of shares of the Reorganized Corporation subject to the subscription rights to shares:

Common shares of the Reorganized Corporation
  - (3) Number of shares of the Reorganized Corporation subject to the subscription rights to shares:

The number shall be determined in consideration of the conditions for the Reorganization Transaction.
  - (4) Value of assets to be contributed upon exercise of the subscription rights to shares:

The value of assets to be contributed upon exercise of the subscription rights to shares for delivery shall be the amount obtained by multiplying the Exercise Price after reorganization calculated through adjustments, taking into consideration the conditions for the Reorganization Transaction, by the number of shares of the Reorganized Corporation subject to such subscription rights to shares as determined in (3) above.
  - (5) Exercise period of the subscription rights to shares:

The period shall commence on the starting date of the exercise period of the Remaining Subscription Rights to Shares or the effective date of the Reorganization Transaction, whichever

is later, and end on the expiration date of the exercise period of the Remaining Subscription Rights to Shares.

- (6) Amount of increase in capital stock and legal capital surplus when new shares are issued upon exercise of the subscription rights to shares:

Amount of increase in capital stock and legal capital surplus shall be determined, taking into consideration the conditions of the Reorganization Transaction.

- (7) Restriction on acquisition of the subscription rights to shares through transfer:

Acquisition of the subscription rights to shares through transfer requires approval of the Board of Directors of the Reorganized Corporation.

- (8) Other conditions for exercising the subscription rights to shares:

The other conditions shall be determined in the same manner as described in II.8. above.

12. Other matters

Other matters related to the subscription rights to shares shall be determined by resolution of the Board of Directors.

End