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(Stock Exchange Code 7545)
April 24, 2017

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 61ST 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 61st 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 15, 2017, Japan time.

- 1. Date and Time:** Tuesday, May 16, 2017 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 61st Fiscal Year (February 21, 2016 - February 20, 2017)

Proposals to be resolved:

- | | |
|--------------------|---|
| Proposal 1: | Appropriation of Surplus |
| Proposal 2: | Election of Seven (7) Directors |
| Proposal 3: | Election of Two (2) Audit & Supervisory Board Members |
| Proposal 4: | Payment of Retirement Benefits to a Retiring Director and a Retiring Audit & Supervisory Board Member |
| Proposal 5: | Issuance of Subscription Rights to Shares as Stock Options to Directors |
| Proposal 6: | 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 11 yen per common share for a total of 714,319,287 yen. Combined with the interim dividend (10 yen per share), the total amount of the annual dividends for the fiscal year ended February 20, 2017 will be 21 yen per share.
 - (3) Effective date of payment of dividends from surplus:
May 17, 2017
2. Other matters related to the appropriation of surplus
 - (1) Item and amount of surplus to be increased:
General reserve: 3,645,000,000 yen
 - (2) Item and amount of surplus to be decreased:
Retained earnings brought forward: 3,645,000,000 yen

Proposal 2: Election of Seven (7) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, we propose the election of seven (7) Directors.

The candidates are as follows.

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Yoshifumi Ohmura (February 7, 1955)	<p>April 1979 Joined Sanyo Special Steel Co., Ltd.</p> <p>September 1985 Joined the Company</p> <p>Director</p> <p>April 1990 Executive Director</p> <p>May 1996 Deputy President</p> <p>May 2000 President (to present)</p> <p>[Significant concurrent positions]</p> <p>President, Yuko Estate Co., Ltd.</p>	4,836,988
2	Hideho Kitanaka (November 25, 1959)	<p>April 1982 Joined the Company</p> <p>September 2007 Manager of Third Product Development Department, Product Development Headquarters</p> <p>May 2009 Director, Manager of Store Development Department</p> <p>April 2014 Director, Manager of Store Development Headquarters</p> <p>March 2015 Director, Manager of Store Operations Headquarters</p> <p>February 2016 Director, Manager of Product Headquarters</p> <p>March 2017 Director, Executive Officer, Manager of Product Headquarters and Manager of Sales Promotion Department (to present)</p>	10,000
3	Masayoshi Fujita (February 7, 1964)	<p>April 1987 Joined the Company</p> <p>September 2007 Manager of Accounting Department, Administrative Headquarters</p> <p>May 2009 Director, Manager of Accounting Department</p> <p>November 2011 Director, Manager of Budget and Performance Management Department and Manager of Administrative Headquarters</p> <p>March 2015 Director, Manager of Store Development Headquarters</p> <p>February 2016 Director, Manager of East Japan Store Development Headquarters, Store Development Headquarters</p> <p>January 2017 Director, Executive Officer, Manager of East Japan Store Development Business Department and Manager of East Japan Office (to present)</p>	14,300
4	Mitsuaki Matsuo (December 15, 1960)	<p>April 1983 Joined the Company</p> <p>March 2008 Manager of Personnel Department, Administrative Headquarters</p> <p>February 2011 Executive Officer, Manager of Personnel Department, Administrative Headquarters</p> <p>May 2013 Director, Manager of Personnel Department</p> <p>March 2015 Director, Manager of Administrative Headquarters</p> <p>February 2016 Director, Manager of Store Operations Headquarters</p> <p>May 2016 Director, Executive Officer, Manager of Store Operations Headquarters (to present)</p>	18,800

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5 *	Yasushi Komurasaki (May 13, 1961)	<p>April 1984 Joined the Company</p> <p>March 2008 Manager of First Product Development Department, Product Development Headquarters</p> <p>September 2010 Manager of Sales Promotion Department, Product Development Headquarters</p> <p>September 2012 Manager of Seventh Product Department, General Merchandise Development Headquarters</p> <p>August 2013 Manager of Undergarment and Maternity Product Department, Textile Product Headquarters, Product Headquarters</p> <p>January 2014 Manager of General Affairs Department, Administrative Headquarters</p> <p>August 2015 Executive Officer, Manager of General Affairs Department</p> <p>March 2017 Executive Officer, Manager of General Affairs and Legal Headquarters and Manager of Training and Redeployment Department (to present)</p>	1,100
6	Hidefumi Sugao (August 31, 1947)	<p>June 1982 Established SUGAO LAW OFFICE (to present)</p> <p>May 1994 Director, the Company (to present)</p> <p>June 2007 External Auditor, Sawai Pharmaceutical Co., Ltd.</p> <p>June 2012 External Director, Sawai Pharmaceutical Co., Ltd. (to present)</p> <p>[Significant concurrent positions] Head, SUGAO LAW OFFICE (Attorney) External Director, Sawai Pharmaceutical Co., Ltd.</p>	24,500
7	Satoshi Hamada (October 3, 1952)	<p>April 1976 Joined Chuo Audit Corporation</p> <p>August 1981 Joined Asahi & 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 & Supervisory Board Member, the Company</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>May 2016 Director, the Company (to present)</p> <p>[Significant concurrent positions] Head, Satoshi Hamada Business Accounting (Certified Public Accountant) Representative Partner, Certified Tax Accounting Firm Hamada Accounts (Certified Tax Accountant) External Statutory Auditor, WDB Holdings Co., Ltd. Outside Corporate Auditor, GLORY LTD.</p>	-

(Notes)

- * indicates a newly appointed candidate for Director.
- There are no special interests between the candidates for Director and the Company.
- Messrs. Hidefumi Sugao and Satoshi Hamada are candidates for Outside Director. The Company designated them as independent officers prescribed by the Tokyo Stock Exchange and has registered them with the Exchange.
- Mr. Hidefumi Sugao 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 an attorney. His term of office as the Company's Outside Director will be twenty-three (23) years at the conclusion of this Annual General Meeting of Shareholders.
- 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. His term of office as the Company's Outside Director will be one (1) year at the conclusion of this Annual General Meeting of Shareholders.

Proposal 3: Election of Two (2) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Messrs. Kazuyoshi Ohashi and Keiji Ebata will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, we propose the election of two (2) Audit & Supervisory Board Members.

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

The candidates are as follows.

Candidate No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
1	Kazuyoshi Ohashi (March 17, 1940)	<p>April 1963 Joined Sanyo Special Steel Co., Ltd.</p> <p>November 1992 General Manager of Peripheral Business Department, Sanyo Special Steel Co., Ltd.</p> <p>June 1994 Seconded to Santoku Transport Co., Ltd. Director, General Manager of General Affairs Department, Santoku Transport Co., Ltd.</p> <p>June 1996 Managing Director, Santoku Transport Co., Ltd.</p> <p>June 1997 Seconded to Santoku Human Resources Center Co., Ltd.</p> <p>Representative Director and President, Santoku Human Resources Center Co., Ltd.</p> <p>May 2000 Executive Director, Himeji Employers' Association</p> <p>August 2003 Contract Adviser, the Company</p> <p>May 2005 Audit & Supervisory Board Member</p> <p>May 2007 Full-time Audit & Supervisory Board Member (to present)</p>	14,000
2 *	Hisato Hasegawa (November 17, 1953)	<p>April 1977 Joined the Company</p> <p>May 2005 Director, Manager of Accounting Department</p> <p>September 2008 Director, Manager of Store Operations Headquarters</p> <p>May 2010 Managing Director, Manager of Administrative Headquarters</p> <p>May 2013 Executive Director, Manager of Organization Development Department and Manager of Product Headquarters and Manager of Logistics Headquarters and Manager of Business System Office</p> <p>February 2016 Executive Director, Manager of Store Development Headquarters and Manager of Organization Reform Department</p> <p>January 2017 Director, Senior Executive Officer, Manager of Mid-career Recruiting Department (to present)</p>	60,062

(Notes)

- * indicates a newly appointed candidate for Audit & Supervisory Board Member.
- There are no special interests between the candidates for Audit & Supervisory Board Member and the Company.
- Mr. Kazuyoshi Ohashi is a candidate for Outside Audit & Supervisory Board Member. The Company designated him as independent officer prescribed by the Tokyo Stock Exchange and has registered him with the Exchange.
- Mr. Kazuyoshi Ohashi is nominated as a candidate for Outside Audit & Supervisory Board Member, because as an incumbent Outside Audit & Supervisory Board Member of the Company, he is well versed in the Company's business and has sufficiently fulfilled his responsibilities. The Company has judged that he will be able to execute his duties as Outside Audit & Supervisory Board Member appropriately by capitalizing on his extensive experience and knowledge as he has done so far. His term of office as the Company's Outside Audit & Supervisory Board Member will be twelve (12) years at the conclusion of this Annual General Meeting of Shareholders.
- Mr. Hisato Hasegawa currently serves as Director of the Company, and is scheduled to retire at the conclusion of this Annual General Meeting of Shareholders due to the expiration of his term of office.

Proposal 4: Payment of Retirement Benefits to a Retiring Director and a Retiring Audit & Supervisory Board Member

Director Mr. Hisato Hasegawa and Audit & Supervisory Board Member Mr. Keiji Ebata will retire at the conclusion of this Annual General Meeting of Shareholders due to the expiration of their terms of office. In order to reward each of them for their services during their terms, we propose the payment of retirement benefits to them within the range of the appropriate amount pursuant to the designated standards of the Company. We request that the specific amounts, timing and method of payment be entrusted to the Board of Directors for the retiring Director Mr. Hisato Hasegawa, and the deliberation of Audit & Supervisory Board Members for the retiring Audit & Supervisory Board Member Mr. Keiji Ebata.

Career summaries of the retiring Director and Audit & Supervisory Board Member are as follows.

Name	Career summary	
Hisato Hasegawa	May 2005	Director, the Company
	May 2010	Managing Director
	May 2013	Executive Director
	May 2016	Director, Senior Executive Officer (to present)
Keiji Ebata	May 2009	Full-time Audit & Supervisory Board Member, the Company (to present)

Proposal 5: 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 2,000 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 20 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 1,286 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, 2019 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 6: 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 220,000 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 2,200 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 1,286 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, 2019 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