

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 8237)
May 9, 2017

To Shareholders with Voting Rights:

Masaki Akita
Representative Director,
President and
Executive Operating Officer
Matsuya Co., Ltd.
3-6-1 Ginza, Chuo-ku, Tokyo

**NOTICE OF
THE 148TH 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 148th Annual General Meeting of Shareholders of Matsuya Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by following the instructions in the “Instructions for Exercising Voting Rights” on page 9 no later than 6 p.m. on Wednesday, May 24, 2017, Japan time.

1. Date and Time: Thursday, May 25, 2017 at 10 a.m., Japan time

2. Place: The second floor hall of GINZA BLOSSOM Chuo Kaikan,
located at 2-15-6 Ginza, Chuo-ku, Tokyo

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 148th Fiscal Year (March 1, 2016 - February 28, 2017) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 148th Fiscal Year (March 1, 2016 - February 28, 2017)

Proposals to be resolved:

- Proposal No. 1:** Election of 8 Directors
Proposal No. 2: Election of 1 Corporate Auditor

4. Exercise of voting right

- (1) If voting rights are exercised more than once via the Internet, the most recent vote will be deemed valid.
- (2) If voting rights are exercised both by the Internet and in writing, votes submitted via the Internet will be deemed valid, regardless of the time and date of arrival of the vote.

-
- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
◎ Any revisions made to the Reference Materials for Annual General Meeting of Shareholders, Business Report, Financial Statements, and Consolidated Financial Statements will be posted on the Company’s website (<http://www.matsuya.com/soukai/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Election of 8 Directors

The terms of office of all 8 Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 8 Directors is proposed.

The candidates for Directors are as follows:

Candidates for Directors (* indicates a new candidate for Director)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
1	Masaki Akita (December 24, 1958)	<p>July 1991 Joined the Company</p> <p>May 1999 Director</p> <p>May 2001 Managing Director</p> <p>March 2005 Senior Managing Director; General Manager, Sales Division</p> <p>May 2005 Representative Director and Vice President; General Manager, Sales Division</p> <p>May 2007 Representative Director and President; General Manager, Sales Division</p> <p>May 2008 Representative Director, President and Executive Operating Officer; General Manager, Sales Division</p> <p>May 2009 Representative Director, President and Executive Operating Officer</p> <p>November 2014 Representative Director, President and Executive Operating Officer; General Manager, Sales Division</p> <p>May 2015 Appointed to Representative Director, President and Executive Operating Officer (current position)</p> <p>[Significant concurrent positions]</p> <p>Representative Director and Chairman, Ginza Core Co., Ltd.</p>	33,300	See Note 1 below

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
2	Yasunori Obinata (September 21, 1951)	<p>April 1975 Joined the Company</p> <p>May 2002 Operating Officer; General Manager, External Sales and Credit Business Division</p> <p>May 2003 Operating Officer; General Manager, Asakusa Store</p> <p>May 2007 Operating Officer; General Manager, Corporate Communications Division</p> <p>May 2008 Managing Operating Officer; vice in charge of General Affairs Division; General Manager, Corporate Communications Division</p> <p>May 2009 Managing Operating Officer; General Manager, Business Strategies Office; in charge of Regional Stores</p> <p>May 2012 Managing Operating Officer; General Manager, Business Strategies Office; in charge of General Affairs Division, Clerical Division and Regional Stores</p> <p>May 2013 Director and Managing Operating Officer; overseeing the Administration Division and Corporate Planning Office</p> <p>May 2015 Representative Director and Senior Executive Operating Officer; overseeing the Administration Division and Corporate Planning Office</p> <p>March 2016 Appointed to Representative Director and Senior Executive Operating Officer; overseeing the Administration Division; General Manager, Corporate Planning Office (current position)</p> <p>[Significant concurrent positions]</p> <p>Representative Director and President, A table Matsuya Co., Ltd.</p>	11,800	None

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
3	Ichiro Ueno (February 4, 1959)	<p>April 1982 Joined the Company</p> <p>March 2005 Operating Officer; Assistant Manager in charge of General Store Merchandise</p> <p>May 2007 Operating Officer; General Manager, Asakusa Store</p> <p>March 2009 Operating Officer; General Manager, Sales Planning Division</p> <p>March 2010 Operating Officer; General Manager, General Store Sales Promotion Division</p> <p>March 2011 Operating Officer, General Store Manager</p> <p>May 2011 Director and Operating Officer; General Store Manager</p> <p>March 2013 Director and Operating Officer; in charge of Corporate Business Development Division</p> <p>May 2013 Director and Operating Officer; General Manager, Corporate Planning Office</p> <p>May 2015 Director and Managing Operating Officer; General Manager, Corporate Planning Office</p> <p>September 2015 Director and Managing Operating Officer, General Manager, Corporate Planning Office; in charge of Accounting Division and Clerical Division</p> <p>March 2016 Appointed to Director and Managing Operating Officer; General Manager, Sales Division (current position)</p>	7,800	None
4	Takehiko Furuya (August 17, 1973)	<p>April 1996 Joined The Bank of Tokyo-Mitsubishi, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>July 2001 Joined the Company</p> <p>May 2011 Director and Operating Officer; Head, the Secretariat of the Structural Reform Promotion Committee; General Manager, General Store Women's Wear Division I</p> <p>March 2013 Director and Operating Officer; General Store Manager</p> <p>November 2014 Director and Operating Officer; Associate General Manager, Sales Division; General Store Manager</p> <p>May 2015 Director and Managing Operating Officer; General Manager, Sales Division; General Store Manager</p> <p>March 2016 Appointed to Director and Managing Operating Officer; in charge of Group Business Planning Division and Business Strategies Office (current position)</p> <p>[Significant concurrent positions] Representative Director, President and Executive Operating Officer, Scandex Co., Ltd.</p>	146,900	None

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
5	Akiko Kawai (April 28, 1960)	<p>April 1983 Joined the Company</p> <p>May 2014 Operating Officer; Head, the Secretariat of the Structural Reform Promotion Committee; General Manager, General Store Sales Promotion Division</p> <p>July 2014 Operating Officer; Head, the Secretariat of the Structural Reform Promotion Committee; Assistant Manager in charge of Store Operation of General Store</p> <p>September 2014 Operating Officer; Head, the Secretariat of the Structural Operating Promotion Committee; Associate Store Manager (Store Operation)</p> <p>May 2015 Appointed to Director and Operating Officer; Head, the Secretariat of the Structural Reform Promotion Committee; Associate Store Manager (Store Operation) (current position)</p>	2,500	None
6	Yoshizumi Nezu (October 26, 1951)	<p>April 1974 Joined Tobu Railway Co., Ltd.</p> <p>June 1999 President, Tobu Railway Co., Ltd. (current position)</p> <p>May 2002 Appointed to Outside Director, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>President, Tobu Railway Co., Ltd.</p> <p>Outside Director, TOKYU CORPORATION</p> <p>Outside Director, JAPAN POST BANK Co., Ltd.</p> <p>External Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company</p> <p>Independent Audit & Supervisory Board Member, Marubeni Corporation</p>	22,000	See Note 2 below
7	Hitoshi Kashiwaki (September 6, 1957)	<p>April 1981 Joined Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.)</p> <p>April 1994 General Manager, Finance Division</p> <p>June 1997 Board Director</p> <p>June 2001 Board Director and Managing Corporate Executive Officer</p> <p>April 2003 Representative Director and Managing Corporate Executive Officer (COO)</p> <p>June 2003 President, Representative Director and COO</p> <p>April 2004 President, Representative Director and CEO</p> <p>April 2012 Board Director and Advisor</p> <p>December 2012 Outside Director, Suntory Beverage & Food Limited</p> <p>March 2016 Appointed to Outside Director, ASICS Corporation (current position)</p> <p>May 2016 Appointed to Outside Director, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Outside Director, ASICS Corporation</p>	900	None

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
8 (*)	Masako Yoshida (June 11, 1961)	<p>April 1980 Joined Tokio Marine and Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)</p> <p>July 2009 Deputy Manager, Keiyo Branch; General Manager, Funabashi Branch</p> <p>August 2011 General Manager, Travel Business Department</p> <p>July 2012 Executive Director; General Manager, Travel Business Department</p> <p>June 2013 Executive Officer; General Manager, Travel Business Department</p> <p>April 2015 Appointed to Executive Officer; General Manager, Chiba Branch (current position)</p> <p>[Significant concurrent positions] Executive Officer; General Manager, Chiba Branch, Tokio Marine & Nichido Fire Insurance Co., Ltd.</p>	-	None

(Notes)

- Relationship between the Company and the candidate for Director Mr. Masaki Akita
Mr. Masaki Akita is Representative Director and Chairman of Ginza Core Co., Ltd., between which the Company is in competitive relationship in certain areas, and with which the Company engages in building leasing transactions, etc.
- Relationship between the Company and the candidate for Director Mr. Yoshizumi Nezu
The Company has real estate lease transactions, etc. concerning the operation of Asakusa Store with Tobu Railway Co., Ltd., where Mr. Yoshizumi Nezu serves as President.
- Mr. Yoshizumi Nezu, Mr. Hitoshi Kashiwaki and Ms. Masako Yoshida are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- The Company has designated Mr. Hitoshi Kashiwaki as an independent director as stipulated by the rules of the Tokyo Stock Exchange, and has registered him as such with the Exchange. If he is reelected, he will remain as an independent director. Ms. Masako Yoshida is a candidate for an independent director.
- Reasons for nomination as candidates for Directors
 - Mr. Masaki Akita was nominated as a candidate based on our belief that he is well-suited to serve as a Director due to his considerable knowledge and experience regarding the overall management including the department store business, group business planning, and corporate governance, as well as his outstanding leadership that has brought the Group together.
 - Mr. Yasunori Obinata was nominated as a candidate based on our belief that he is well-suited to serve as a Director due to his considerable knowledge and experience regarding overall management including the department store business, group business planning, and corporate governance.
 - Mr. Ichiro Ueno was nominated as a candidate based on our belief that he is well-suited to serve as a Director due to his considerable knowledge and experience regarding each of our businesses including the department store business, which will enable him to engage in the management of the Company with a broad perspective.
 - Mr. Takehiko Furuya was nominated as a candidate based on our belief that he is well-suited to serve as a Director due to his considerable knowledge and experience regarding each of our businesses including the department store business, which will enable him to engage in the management of the Company with a broad perspective.
 - Ms. Akiko Kawai was nominated as a candidate based on our belief that she is well-suited to serve as a Director due to her considerable knowledge and experience regarding merchandise policy planning, marketing and store operation in the department store business.
 - Mr. Yoshizumi Nezu was nominated as a candidate for Outside Director so that his excellent knowledge and in-depth experience as an experienced corporate manager will be reflected in the Company's management.
 - Mr. Hitoshi Kashiwaki was nominated as a candidate for Outside Director so that his excellent knowledge and in-depth experience as an experienced corporate manager will be reflected in the Company's management.
 - Ms. Masako Yoshida was nominated as a candidate for Outside Director so that her rich experience and broad knowledge accumulated at a general insurance company will be reflected in the Company's management.
- Number of years as Outside Director since each candidate for Outside Director assumed office
 - Mr. Yoshizumi Nezu will have served as Outside Director for 15 years at the conclusion of this year's Annual General Meeting of Shareholders.
 - Mr. Hitoshi Kashiwaki will have served as Outside Director for one year at the conclusion of this year's Annual

General Meeting of Shareholders.

7. Details of the liability limitation agreements concluded with each Director are as follows.

The Company has concluded an agreement with each of Messrs. Yoshizumi Nezu and Hitoshi Kashiwaki to limit their liabilities for damages pursuant to Article 423, Paragraph 1 of the Companies Act to the predetermined amount of four million yen or more, or the minimum liability amount as stipulated by laws and regulations, whichever is higher, for cases falling under the requirements specified in laws and regulations. If their reelection is approved, the Company intends to continue the aforementioned liability limitation agreement with each of them.

In addition, if the election of Ms. Masako Yoshida is approved, the Company intends to conclude an agreement with her to limit her liability pursuant to Article 423, Paragraph 1 of the Companies Act to the predetermined amount of four million yen or more, or the minimum liability amount as stipulated by laws and regulations, whichever is higher, for cases falling under the requirements specified in laws and regulations.

Proposal No. 2: Election of 1 Corporate Auditor

Corporate Auditor Mr. Takashi Ito will resign at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 1 Corporate Auditor is proposed.

As the candidate for Corporate Auditor will be elected as a substitute to Mr. Takashi Ito, his term of office shall be the remaining term of office of the retired Corporate Auditor, in accordance with the Articles of Incorporation of the Company.

The Board of Corporate Auditors has previously given its approval to the submission of this proposal to this Annual General Meeting of Shareholders.

The candidate for Corporate Auditor is as follows:

Candidate for Corporate Auditor (* indicates a new candidate for Corporate Auditor)

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held	Special interests between the candidate and the Company
1 (*)	Yohei Furuhashi (May 28, 1949)	<p>April 1974 Joined NIPPON SIGNAL CO., LTD.</p> <p>April 1997 General Manager, Automatic Fare Collection Systems Sales Division, Sales and Marketing Head Office</p> <p>June 2000 Executive Officer; General Manager, Automatic Fare Collection Systems Division</p> <p>June 2003 Executive Officer; General Manager, Automatic Fare Collection Systems Division; General Manager, Visionary Business Center</p> <p>June 2004 Director and Senior Executive Officer; in charge of Visionary Business Center and Automatic Fare Collection Systems Business</p> <p>June 2006 Director and Deputy Chief Executive Officer; in charge of Corporate Strategy, Business Audit, Visionary Business Center; General Manager, Visionary Business Center</p> <p>June 2008 President, Chief Operative Officer</p> <p>June 2012 President, Chief Executive Officer and Chief Operative Officer</p> <p>April 2015 President, Chief Executive Officer</p> <p>June 2016 Appointed to Chairman, Chief Executive Officer (current position)</p> <p>[Significant concurrent positions]</p> <p>Chairman, Chief Executive Officer, NIPPON SIGNAL CO., LTD.</p>	-	None

(Notes)

1. Mr. Yohei Furuhashi is a candidate for Outside Auditor as stipulated in Article 2, Item 16 of the Companies Act.
2. Mr. Yohei Furuhashi is a candidate for an independent auditor as stipulated by the rules of the Tokyo Stock Exchange.
3. Reasons for nomination as a candidate for Corporate Auditor
Mr. Yohei Furuhashi was nominated as a candidate for Outside Auditor so that his abundant experience and broad insight as an experienced corporate manager will be reflected in the Company's audits.
4. Details of the liability limitation agreements with Corporate Auditors are as follows.
If the election of Mr. Yohei Furuhashi is approved, the Company intends to conclude an agreement with him to limit his liabilities pursuant to Article 423, Paragraph 1 of the Companies Act to the predetermined amount of four million yen or more, or the minimum liability amount as stipulated by laws and regulations, whichever is higher, for cases falling under the requirements specified in laws and regulations.

Instructions for Exercising Voting Rights

If you are attending the meeting in person

Please submit the enclosed Voting Rights Exercise Form at the meeting venue reception desk.

When attending the meeting, please bring this convocation notice with you.

Date and time of the Meeting: Thursday, May 25, 2017, at 10 a.m. Japan time

If you are unable to attend the meeting in person

Exercising voting rights in writing by postal mail

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 6 p.m. on Wednesday, May 24, 2017, Japan time

Exercising Voting Rights via the Internet

Please access the website for exercise of voting rights and exercise your voting rights no later than 6 p.m. on Wednesday, May 24, 2017, Japan time.

(For details of the method to exercise your voting rights, please refer to the instructions on pages 10 through 11.)

Instructions for Exercising Voting Rights via the Internet, etc.

If you are exercising your voting rights via the Internet, please confirm the following instructions before exercising your voting rights.

If you intend to attend the meeting in person, you are not required to exercise your voting rights either in writing by postal mail (Voting Rights Exercise Form) or via the Internet.

1. Website for exercising voting rights

- (1) Voting rights may only be exercised via the Internet by accessing the website for exercising voting rights designated by the Company (<http://www.evotep.jp/>), which is accessible from a personal computer, a smartphone or a mobile phone (i-mode, EZweb and Yahoo! Keitai)*. (Service is suspended between 2 a.m. and 5 a.m. on all days.)
*i-mode, EZweb, and Yahoo! are trademarks or registered trademarks of NTT DOCOMO, INC., KDDI CORPORATION and Yahoo! Inc., respectively.
- (2) Certain personal computers or smartphones may not be able to run the website for exercising voting rights due to the installation of firewall for Internet connection, antivirus software, or proxy server, etc.
- (3) Exercise of voting rights via a mobile phone is only available using i-mode, EZweb, or Yahoo! Keitai services. Even if access to one of the above services is available, some shareholders may not be able to use the service if the mobile phone model is incapable of sending information for security reasons, or because of encrypted communication (SSL communication).
- (4) Exercise of voting rights via the Internet will be accepted until 6 p.m. on Wednesday, May 24, 2017, Japan time. However, you are cordially requested to exercise your voting rights earlier. Please call the Help Desk for any inquiries concerning the exercise of voting rights.

2. Exercising voting rights via the Internet

- (1) On the website for exercising voting rights (<http://www.evotep.jp/>), enter the “login ID” and “temporary password” printed on the Voting Rights Exercise Form to indicate your vote for or against each proposal following the on-screen guidance.
- (2) To prevent persons who are not shareholders (impostors) from illegally accessing the website and altering the content of voting selections, we ask shareholders who use the website to change their “temporary passwords” on the website for exercising voting rights.
- (3) You will be provided with a new “login ID” and “temporary password” each time a General Meeting of Shareholders is convened.

3. Handling of multiple votes

- (1) If you exercise your voting rights both by postal mail and via the Internet, we will consider the Internet vote to be the valid vote.
- (2) If you exercise your voting rights via the Internet multiple times, we will consider the most recent vote to be the valid vote. In the case when you exercise your voting rights multiple times by using a personal computer, a smartphone or a mobile phone, we will consider the most recent vote to be the valid vote.

4. Costs arising from accessing the website for exercising voting rights

Any costs arising from accessing the website for exercising voting rights (dial-up access fees and phone charges, etc.) will be borne by the shareholder. In case you are exercising voting rights using a mobile phone, Internet connection fees and other fees required for using the mobile phone will be borne by the shareholder as well.

For inquiries concerning operation of systems, please contact:
Mitsubishi UFJ Trust and Banking Corporation, Securities Agency Division (Help Desk)
• Toll-free service phone number in Japan: 0120-173-027 (Business hours: 9 a.m. – 9 p.m.)

【Voting Rights Exercise Platform】

In addition to the above method to exercise voting rights via the Internet, nominee shareholders such as trust and custody services banks (including standing proxies) may use the Voting Rights Exercise Platform operated by ICJ, Inc., a joint company established by the Tokyo Stock Exchange, Inc. and other companies, as an electromagnetic means of exercising voting rights at the Company's General Meeting of Shareholders. Please note that this service is only available for those who requested in advance.