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(Stock Exchange Code 3088)
May 31, 2018

To Shareholders with Voting Rights:

Kiyoo Matsumoto
President
Matsumotokiyoshi Holdings Co., Ltd.
9-1 Shinmatsudo-Higashi, Matsudo-shi,
Chiba, Japan

NOTICE OF THE 11TH 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 11th Annual General Meeting of Shareholders of Matsumotokiyoshi Holdings 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 by submitting the Voting Rights Exercise Form, or via the Internet. If exercising 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 Wednesday, June 27, 2018, Japan time.

1. Date and Time: Thursday, June 28, 2018 at 10:00 a.m. Japan time (Open for reception: 8:00 a.m.)

2. Place: Conference room at the Corporate Headquarters located at
9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 11th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the Accounting Auditors and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 11th Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of 9 Directors
Proposal 3: Election of 1 Substitute Corporate Auditor
Proposal 4: Renewal of Measures for Responding to a Large-scale Purchase of the Company’s Shares, etc. (Takeover Defense Measures)

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- ◎When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - ◎Systems to Secure the Appropriateness of Business, Summary of Operational Status of Systems to Secure the Appropriateness of Business, Notes on the Consolidated Financial Statements, and Notes on the Non-consolidated Financial Statements, as part of documents that shall be provided with this Notice, have been posted on the Company's website ([URL:http://www.matsumotokiyoshi-hd.co.jp/index.html](http://www.matsumotokiyoshi-hd.co.jp/index.html)), based on laws and regulations and the Company's Articles of Incorporation. Accordingly, the documents attached to the Notice of the 11th Annual General Meeting of Shareholders constitute a part of Consolidated Financial Statements and Non-Consolidated Financial Statements audited by Accounting Auditor and Corporate Auditor in preparation for Accounting Audit Report and Audit Report. Furthermore, underlined items have been newly added to the materials disclosed online.
 - ◎If Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, and Consolidated Financial Statements are amended, the Company will post the updated documents on the Company's website ([URL:http://www.matsumotokiyoshi-hd.co.jp/index.html](http://www.matsumotokiyoshi-hd.co.jp/index.html)).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Appropriation of surplus shall be as follows:

Matters concerning the year-end dividend

The Company regards the distribution of profit to the shareholders to be one of the most important issues for management. The Company's basic policy is to make continuous and stable payment of dividends by strengthening management bases and improving profitability.

The Company will utilize its internal reserves for investments that will lead to the Company's growth, such as expansion of existing businesses and development of new businesses including infrastructure development and expansion of services as well as M&A, in order to cope with the expected changes in business environment.

Under the above policy, concerning year-end dividends for the fiscal year under review, it is proposed to pay a year-end dividend of ¥30 per share.

(1) Type of dividend assets

Cash

(2) Appropriation of dividend assets and amount of appropriation

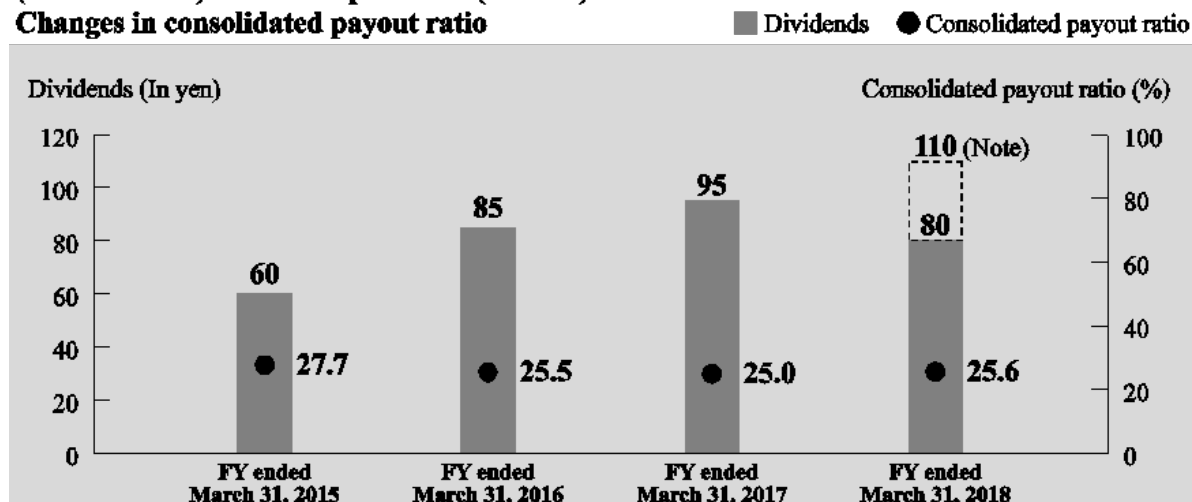
¥30 per share of common stock of the Company

total amount ¥3,179,209,740

(3) Surplus dividend effective date

June 29, 2018

(For reference) Dividends per share (Annual)/ Changes in consolidated payout ratio



(Note) Effective January 1, 2018, the Company conducted a 2-for-1 stock split of common stock, and converted to a pre-stock split basis, the year-end dividend is equivalent to ¥110.

Proposal 2: Election of 9 Directors

The terms of office of all 9 Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of 9 Directors is proposed.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
1	Namio Matsumoto (March 4, 1943) [Reelection]	<p>April 1965 Joined Drugstore Matsumotokiyoshi, Ltd. (now Matsumoto Kiyoshi Co., Ltd.)</p> <p>April 1975 Senior Managing Director, Drugstore Matsumotokiyoshi, Ltd.</p> <p>July 1997 Director and Vice President, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 1998 Representative Director and Vice President, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 1999 Chairman, Japan Association of Chain Drug Stores</p> <p>February 2001 President, Matsumoto Kiyoshi Co., Ltd.</p> <p>May 2002 Vice Chairman, Self-Medication Advocacy Council</p> <p>October 2007 President of the Company</p> <p>April 2009 Chairman and CEO of the Company</p> <p>April 2011 Chairman, President and CEO of the Company</p> <p>June 2011 Chairman and President of the Company</p> <p>April 2014 Chairman of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Representative Director, Your Sports Club Co., Ltd.</p> <p>Representative Director, Nankai Kousan Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Director]</p> <p>Since Mr. Namio Matsumoto's assumption of the position of Representative Director of the Company, he has led the Group with his powerful vision and strong leadership, and through his efforts to increase corporate value he has established the Group's firm position in the drug store industry.</p> <p>He also made efforts to establish the Japan Association of Chain Drug Stores, and through those activities, he has established the overall position of the drug store industry, contributing to the industry's development as a result.</p> <p>In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to request his continued election as Director.</p> <p>[Special interest between the candidate and the Company]</p> <p>Mr. Namio Matsumoto is concurrently serving as Representative Director of Nankai Kousan Co., Ltd., with which the Company has business relationship for real estate leasing.</p> <p>[Attendance at meetings of the Board of Directors (11th Fiscal Year)]</p> <p>13/14 (attendance rate: 93%)</p>	2,860,180

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
2	Kiyoo Matsumoto (January 20, 1973) [Reelection]	<p>June 1995 Joined Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2005 General Manager of Merchandise Department, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 2005 Director and General Manager of Merchandise Department, Matsumoto Kiyoshi Co., Ltd.</p> <p>July 2007 Director and Merchandise Manager of Sales Division, Matsumoto Kiyoshi Co., Ltd.</p> <p>October 2007 Director of the Company</p> <p>April 2008 Managing Director of the Company</p> <p>July 2008 Managing Director in charge of Sales Planning and Merchandise Control of the Company</p> <p>April 2009 Senior Managing Director in charge of Sales Planning and Merchandise Control of the Company</p> <p>April 2010 Senior Managing Director supervising Corporate Planning, Sales Planning and Merchandise Control of the Company</p> <p>April 2011 President, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2013 Representative Director and Vice President supervising Corporate Planning, Sales Planning and Merchandise Control of the Company</p> <p>April 2014 President of the Company (current position) Chairman, Matsumoto Kiyoshi Co., Ltd.</p> <p>[Significant concurrent positions] Advisor, Matsumoto Kiyoshi Co., Ltd. Representative Director, Nankai Kousan Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Director] Since Mr. Kiyoo Matsumoto's assumption of the position of Representative Director of the Company, he has carried on the “feelings” of past company heads within a difficult business environment, provided the “Matsumotokiyoshi WAY” as shared principles for all people working in the Group and striven for their widespread adoption, and further strengthened the unity of the Group as a whole. In addition, as President, he achieved historic highs in both net sales and each profit indicator for the fiscal year ended March 31, 2018, and contributed to the increase of the Group's corporate value. In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to request his continued election as Director.</p> <p>[Special interest between the candidate and the Company] Mr. Kiyoo Matsumoto is concurrently serving as Representative Director of Nankai Kousan Co., Ltd., with which the Company has business relationship for real estate leasing.</p> <p>[Attendance at meetings of the Board of Directors (11th Fiscal Year)] 14/14 (attendance rate: 100%)</p>	2,462,900

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
3	Kazuo Narita (June 20, 1950) [Reelection]	<p>April 1974 Joined Japan Recruit Center Co., Ltd. (now Recruit Holdings Co., Ltd.)</p> <p>May 2002 Representative Director and CEO, Onezone Corporation (formerly Marutomi Group Co., Ltd)</p> <p>August 2004 Joined Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2006 General Manager of Business Partnership Management Division and General Manager of Corporate Planning Office, Matsumoto Kiyoshi Co., Ltd.</p> <p>October 2007 Director of the Company</p> <p>April 2008 Senior Managing Director in charge of Management and General Manager of Corporate Planning Department of the Company</p> <p>April 2009 Senior Managing Director and CFO in charge of Management and Control of the Company</p> <p>April 2010 Senior Managing Director and CFO supervising Management and Control (concurrently serving FC General Manager of Planning Department) of the Company</p> <p>June 2011 Senior Managing Director supervising Management and Control (concurrently serving FC General Manager of Planning Department) of the Company</p> <p>April 2012 Senior Managing Director supervising Management and Control of the Company</p> <p>Director and Vice President (concurrently in charge of Management and Control), Matsumoto Kiyoshi Co., Ltd.</p> <p>December 2013 Representative Director, Simeno Drug Co., Ltd.</p> <p>April 2014 President, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2017 Vice President of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Chairman, Matsumoto Kiyoshi Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Kazuo Narita has been appointed Representative Director at other companies and possesses abundant experience and deep insight regarding all facets of management.</p> <p>At the Company also, as Vice President, and as Chairman of Matsumoto Kiyoshi Co., Ltd., he worked toward the realization of the three management strategies of the Company, and also toward securing, developing, and retaining the human resources that support the growth strategies of the Group, and has broadly contributed to the increase of the Group's corporate value.</p> <p>In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to request his continued election as Director.</p> <p>[Special interest between the candidate and the Company]</p> <p>There are no special interests between Mr. Kazuo Narita and the Company.</p> <p>[Attendance at meetings of the Board of Directors (11th Fiscal Year)]</p> <p>14/14 (attendance rate: 100%)</p>	18,500

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
4	Takashi Matsumoto (May 8, 1975) [Reelection]	<p>April 1999 Joined Sato Pharmaceutical Co., Ltd.</p> <p>April 2002 Joined Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2008 General Manager of Drugstore Business Division and General Manager of Business Support Office, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2009 Executive Officer of the Company Director, Assistant General Manager of Drugstore Business Division, General Manager of Business Support Office and General Manager of PJ Promotion Planning Office, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2010 Director, General Manager of Sales Promotion Division, General Manager of Sales Promotion Department and General Manager of Mail-order Sales, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2012 Managing Director (in charge of Store Operations), General Manager of Store Operations Division, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 2013 Director supervising Sales of the Company</p> <p>April 2014 Director supervising Sales Planning and Merchandise Control of the Company</p> <p>April 2015 Managing Director supervising Sales Planning and Merchandise Control of the Company</p> <p>April 2017 Managing Director and General Manager supervising Sales of the Company (current position)</p> <p>[Significant concurrent positions] Senior Managing Director and General Manager of Store Operations Division, Matsumoto Kiyoshi Co., Ltd. Chairman, Matsumotokiyoshi (Taiwan) Limited (Joint venture company)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Takashi Matsumoto has held posts as the individual responsible for Matsumoto Kiyoshi Co., Ltd.'s store operations, sales promotion, sales planning, and online business, and now as the Managing Director of the Company, he works with a focus on business strategies of building a new business model tailored toward demand creation, and the further evolution of customer relationship management (CRM) based on an omnichannel strategy, and has contributed to the increase of the Group's corporate value. In order for him to use this abundant experience, deep insight, etc., to further create corporate value for the Group, the Company would like to request his continued election as Director.</p> <p>[Special interest between the candidate and the Company] Mr. Takashi Matsumoto is concurrently serving as Director of Nankai Kousan Co., Ltd., with which the Company has business relationship for real estate leasing.</p> <p>[Attendance at meetings of the Board of Directors (11th Fiscal Year)] 14/14 (attendance rate: 100%)</p>	2,466,300

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
5	Shingo Obe (August 5, 1962) [Reelection]	<p>April 1985 Joined The Daiei, Inc.</p> <p>September 1999 Manager of Employment and Education Section, Employment and Education Department, Personnel Planning Office and Manager of Personnel Section, Personnel Department, The Daiei, Inc.</p> <p>June 2002 Joined MEDICAL ASSOCIA INC., General Manager of Staffing Department</p> <p>April 2003 Joined Adecco Career Staff Co., Ltd. (now Adecco Ltd.), Manager of Personnel Administration Section, Personnel Department and General Manager of Personnel Department, Personnel Division</p> <p>December 2006 Joined Matsumoto Kiyoshi Co., Ltd., Deputy General Manager of Personnel Department</p> <p>July 2007 General Manager of Personnel Department, Matsumoto Kiyoshi Co., Ltd.</p> <p>January 2008 General Manager of Personnel Department of the Company</p> <p>July 2010 Executive Officer and General Manager of Personnel Department of the Company</p> <p>June 2015 Executive Officer and General Manager of Personnel Department (concurrently General Manager of Internal Controls Office) of the Company</p> <p>April 2016 Executive Officer and General Manager of Personnel Department of the Company</p> <p>April 2017 Executive Officer, General Manager of Administration Department and General Manager of Personnel Department of the Company</p> <p>June 2017 Director, General Manager of Administration Department and General Manager of Personnel Department of the Company (current position)</p> <p>[Significant concurrent positions] Director and Manager of Personnel, Matsumoto Kiyoshi Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Director] Mr. Shingo Obe has been involved in creating the personnel structure and building the personnel strategy for the Group, and additionally has held posts as the individual responsible for internal controls and legal affairs, and possesses not only experience and insight regarding personnel and human resources management, but also broad experience and insight regarding compliance and risk management. Additionally, he has supervised administrative departments as Director, contributing to maintaining management foundations through initiatives such as promotion of new business models and shift to omni-channel, in addition to creating an environment where group companies can focus on each business. In order for him to use this abundant experience and insight in order to further create corporate value for the Group, the Company requests his continued election as Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Shingo Obe and the Company.</p> <p>[Attendance at meetings of the Board of Directors (11th Fiscal Year)] 10/10 (attendance rate: 100%)</p>	2,934

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
6	Akio Ishibashi (November 15, 1964) [Reelection]	<p>April 1989 Joined Mitsui Bank (now Sumitomo Mitsui Banking Corporation), Tokyo Corporate Banking Department</p> <p>August 1989 Seconded to General Research Institute (now The Japan Research Institute, Limited), Mitsui Bank</p> <p>June 1999 M&A Advisory Services Department, Wholesale Banking Unit, Mitsui Bank</p> <p>February 2002 Joined Mitsubishi Corporation, M&A Unit, Finance Business Division</p> <p>January 2008 Treasurer's Office, Mitsubishi Corporation</p> <p>October 2009 Joined Matsumoto Kiyoshi Co., Ltd. General Manager of Business Development Office of the Company</p> <p>July 2011 General Manager of Corporate Planning Department of the Company</p> <p>April 2012 Executive Officer and General Manager of Corporate Planning Department of the Company Director and General Manager of Operation Planning Department, Store Operations Division, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 2015 Executive Officer and General Manager of Corporate Planning Department (concurrently General Manager of Finance and Accounting Department) of the Company</p> <p>April 2017 Executive Officer, General Manager of Corporate Planning Division and General Manager of Corporate Planning Department of the Company</p> <p>June 2017 Director, General Manager of Corporate Planning Division and General Manager of Corporate Planning Department of the Company (current position)</p> <p>[Significant concurrent positions] Director, Matsumoto Kiyoshi Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Director] Mr. Akio Ishibashi has been involved in formulation of the Group management policy and management strategy, and formulation and management of annual plans, and additionally has contributed to expanding business scale and increasing management efficiency through internal Group reorganization and management of KPIs for each Group company. Additionally, he has supervised corporate planning department as Director, contributing to creating the Group's growth foundations through initiatives such as making proposals and providing operational support toward the creation and evolution of new business models as well as implementing advancements in CRM based on customer data held by the Company. In order for him to use this abundant experience and insight in order to further create corporate value for the Group, the Company requests his continued election as Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Akio Ishibashi and the Company.</p> <p>[Attendance at meetings of the Board of Directors (11th Fiscal Year)] 10/10 (attendance rate: 100%)</p>	3,414

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
7	Isao Matsushita (April 3, 1947) [Outside Director] [Reelection] [Independent]	<p>April 1970 Joined Nippon Mining Co. (now JXTG Nippon Oil & Energy Corporation)</p> <p>April 2001 Executive Officer, Assistant to General Manager of Corporate Planning Department and Chief of Corporate Planning Department (in charge of Finance), Japan Energy Corporation (now JXTG Nippon Oil & Energy Corporation)</p> <p>September 2002 Director and in charge of Finance at Finance Group, Nippon Mining Holdings, Inc. (now JXTG Holdings, Inc.)</p> <p>June 2003 Managing Director, Nippon Mining Holdings, Inc. (now JXTG Holdings, Inc.)</p> <p>April 2004 Managing Executive Officer, Japan Energy Corporation (now JXTG Nippon Oil & Energy Corporation)</p> <p>June 2004 Director and Managing Executive Officer, Japan Energy Corporation (now JXTG Nippon Oil & Energy Corporation)</p> <p>April 2005 Director and Senior Executive Officer, Japan Energy Corporation (now JXTG Nippon Oil & Energy Corporation)</p> <p>June 2006 Representative Director and President, Japan Energy Corporation (now JXTG Nippon Oil & Energy Corporation)</p> <p>July 2010 Representative Director, Vice President, Executive Officer and Assistant to President, JX Nippon Oil & Energy Corporation (now JXTG Nippon Oil & Energy Corporation)</p> <p>June 2012 Representative Director and President, JX Holdings, Inc. (now JXTG Holdings, Inc.)</p> <p>June 2015 Advisor, JXTG Holdings, Inc. (current position)</p> <p>June 2016 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions] Outside Director of INPEX CORPORATION External Director of Sumitomo Mitsui Trust Holdings, Inc.</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Isao Matsushita has been involved in corporate management in JXTG Group's companies for many years, and possesses abundant experience and insight regarding management. In addition, he has experience as an Outside Director at other companies, and as the Company expects him to use this high level of insight, experience, and auditing ability in corporate management in the supervision of the management of the Company, we would like request his continued election as Outside Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Isao Matsushita and the Company.</p> <p>[Attendance at meetings of the Board of Directors (11th Fiscal Year)] 13/14 (attendance rate: 93%)</p>	—

(Notes)

1. Term of office of Mr. Isao Matsushita
His term of office will have reached 2 years at the conclusion of this General Meeting of Shareholders.
2. Mr. Isao Matsushita is now serving as Outside Director of the Company, and the Company has entered into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations. If Mr. Matsushita is elected, the Company intends to enter into the same agreement to limit his liability for damages.
3. Mr. Isao Matsushita is now serving as Outside Director of the Company, he fulfills the criteria for independence set forth by the Company (see page 14), and the Company has designated him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and has reported it thereat.

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
8	Hiroo Omura (November 27, 1946) [Outside Director] [New] [Independent]	<p>May 1970 Joined Sumitomo Life Insurance Company</p> <p>July 1980 General Manager of Training Department, Higashi Naniwa Branch, Sumitomo Life Insurance Company</p> <p>July 1982 Acting General Manager of Tokyo Finance Department (stationed in Aomori), Sumitomo Life Insurance Company</p> <p>January 1986 Acting General Manager of Tokyo Corporate Sales Division No. 4, Sumitomo Life Insurance Company</p> <p>July 1988 Seconded to THE NIPPON ROAD Co., Ltd., General Manager of Development Business Department</p> <p>April 1991 Returned to Sumitomo Life Insurance Company, Corporate Sales Manager of Shinjuku-Chuo Branch</p> <p>September 1991 Joined THE NIPPON ROAD Co., Ltd., General Manager of Sales Department No. 1</p> <p>April 1998 General Manager of Sales Planning Department, THE NIPPON ROAD Co., Ltd.</p> <p>April 2002 General Manager of Kanto Manufacturing and Sales Branch, THE NIPPON ROAD Co., Ltd.</p> <p>April 2003 General Manager of Manufacturing and Sales Department at the Head Office, THE NIPPON ROAD Co., Ltd.</p> <p>April 2004 Executive Officer and Executive Manager of Sales Department No. 2, THE NIPPON ROAD Co., Ltd.</p> <p>April 2008 Senior Executive Officer and Deputy General Manager of Sales Division, THE NIPPON ROAD Co., Ltd.</p> <p>April 2012 Executive Advisor, THE NIPPON ROAD Co., Ltd.</p> <p>April 2014 Administrative Manager of Planning Department, Japan Environment Association</p> <p>March 2017 Retired from Japan Environment Association</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Hiroo Omura has been involved in sales, development, and sales planning for many years at insurance companies and other companies, and possesses abundant experience and insight. In addition, he has also been involved in environmental businesses at the Japan Environment Association, and as the Company expects him to use this high level of insight, experience, and auditing ability in corporate management in the supervision of the management of the Company, we would like request his election as Outside Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Hiroo Omura and the Company.</p>	—

(Notes)

1. If Mr. Hiroo Omura is appointed as Outside Director, the Company will enter into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations.
2. If Mr. Hiroo Omura is appointed as Outside Director, he fulfills the criteria for independence set forth by the Company (see page 14), and the Company will designate him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and report it thereat.

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
9	Keiji Kimura (February 21, 1947) [Outside Director] [New] [Independent]	<p>May 1970 Joined MITSUBISHI ESTATE CO., LTD.</p> <p>June 1988 Deputy General Manager of Secretary Department, Mitsubishi Estate Co., Ltd.</p> <p>June 1996 General Manager of Secretary Department, Mitsubishi Estate Co., Ltd.</p> <p>January 1998 General Manager of Planning Department, Mitsubishi Estate Co., Ltd.</p> <p>April 2000 General Manager of Corporate Planning Department, Corporate Planning Division, Mitsubishi Estate Co., Ltd.</p> <p>June 2000 Director and General Manager of Corporate Planning Department, Corporate Planning Division, Mitsubishi Estate Co., Ltd.</p> <p>April 2003 Director and Senior Executive Officer, Deputy General Manager of Corporate Planning & Administration Division, Mitsubishi Estate Co., Ltd.</p> <p>June 2003 Senior Executive Officer and Deputy General Manager of Corporate Planning & Administration Division, Mitsubishi Estate Co., Ltd.</p> <p>April 2004 Executive Vice President in charge of International Business Division, Mitsubishi Estate Co., Ltd. Concurrently President and Director, Royal Park Hotels and Resorts Company, Limited.</p> <p>June 2004 Representative Director and Executive Vice President in charge of International Business Division, Mitsubishi Estate Co., Ltd. Concurrently President and Director, Royal Park Hotels and Resorts Company, Limited.</p> <p>June 2005 President and Chief Executive Director, Mitsubishi Estate Co., Ltd.</p> <p>April 2011 Chairman & Representative Director, Mitsubishi Estate Co., Ltd.</p> <p>June 2016 Chairman of the Board, Mitsubishi Estate Co., Ltd.</p> <p>April 2017 Director, Mitsubishi Estate Co., Ltd.</p> <p>June 2017 Senior Advisor, Mitsubishi Estate Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Outside Director, PALACE HOTEL CO., LTD. Outside Director, Nippon Venture Capital Co., Ltd. Outside Director, Yokohama shintosh center corporation Outside Director, Royal Park Hotel Co., Ltd. Outside Director, Shonan country club co. ltd</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Keiji Kimura has been involved in corporate management for many years, and possesses abundant experience and insight regarding management. In addition, he has also served as a supervisor of departments related to overseas business. With additional experience as Outside Director at other companies, the Company expects him to use this high level of insight, experience, and auditing ability in corporate management for the supervision of the management of the Company, and we would like request his election as Outside Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Keiji Kimura and the Company.</p>	—

(Notes)

1. If Mr. Keiji Kimura is appointed as Outside Director, the Company will enter into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations.
2. If Mr. Keiji Kimura is appointed as Outside Director, he fulfills the criteria for independence set forth by the Company (see page 14), and the Company will designate him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and report it thereat.
3. There is no business transaction relationship between Mitsubishi Estate Co., Ltd. and the Company. There are business transactions between Mitsubishi Estate Co., Ltd. and its group companies and group companies of the Company, but the proportion of the value of these transactions to the net sales of the Company in the most recent fiscal year was less than 0.04%, and it is not classed as a major business partner.

Proposal 3: Election of 1 Substitute Corporate Auditor

In case the number of Corporate Auditors falls short of the legally stipulated number, the Company proposes the election of 1 Substitute Corporate Auditor. Accordingly, the election of 1 Substitute Corporate Auditor is proposed.

The Board of Corporate Auditors has previously given its approval to this Proposal.

The candidate is as follows:

Name (Date of birth)	Past experience and positions	Number of shares of the Company held
Yoshiaki Senoo (May 15, 1949) [Reelection]	April 1974 Entered the Legal Training and Research Institute of Japan (the 28th graduating class)	—
	April 1976 Registered as a lawyer (Daini Tokyo Bar Association) Joined Seiichi Ishii Law Office	
	April 1979 Founded Yoshiaki Senoo Law Office (current position)	
	October 2004 Founded MOS (MATSUZAKI OKU SANO & SENOO) Joint Law Office (current position)	
	[Significant concurrent positions] —	
	[Reasons for nomination as a candidate for Substitute Outside Corporate Auditor] Mr. Yoshiaki Senoo possesses abundant business experience and specialized knowledge as a lawyer, and as there are no special interests between Mr. Senoo and the Company, his independence has been ensured, and we would like to nominate him as candidate for Substitute Corporate Auditor as Outside Corporate Auditor.	
	[Special interest between the candidate and the Company] There are no special interests between Mr. Yoshiaki Senoo and the Company.	

(Notes)

1. Mr. Yoshiaki Senoo is a member of the Independent Committee for the Defensive Measures, approved at the 8th General Meeting of Shareholders held on June 26, 2015.
2. If Mr. Yoshiaki Senoo is appointed as Corporate Auditor, the Company will enter into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥5 million or the minimum liability amount provided by laws and regulations.
3. If Mr. Yoshiaki Senoo is appointed as Corporate Auditor, he fulfills the criteria for independence set forth by the Company (see page 14), and the Company will designate him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and report it thereat.

[Independence Criteria]

- In the event that any of the following items apply, the Company shall deem a lack of independence.
 - (1) An executive officer of the Company or a company in the Group;
 - (2) A Non-executive Director or accounting advisor of the Company or a company in the Group (in the case of an Outside Corporate Auditor);
 - (3) A person whose major business partner (the annual amount of transactions with the Company is 2% or more of consolidated sales in the most recent fiscal year) is the Company or an executive officer thereof;
 - (4) A person who is a major business partner (the annual amount of transactions with the Company is 2% or more of consolidated sales in the most recent fiscal year) of the Company or an executive officer thereof;
 - (5) A financial institution or other major creditor that is essential for the fundraising of the Company, and whom the Company relies on to the extent that they are irreplaceable, or an executive officer thereof;
 - (6) A certified public accountant who is the Accounting Auditor of the Company, or a member, partner or employee of the audit firm (however, this excludes support staff);
 - (7) A major shareholder of the Company (a shareholder with a voting rights ownership ratio of 10% or more) (or if the major shareholder is a corporation, an executive officer thereof);
 - (8) An executive officer of an organization with which the Company has a relationship through the mutual appointment of Outside Officers;
 - (9) An executive officer of an organization to which the Company has made a donation (the average transaction amount per fiscal year over the past three (3) years is ¥5 million or more);
 - (10) An attorney-at-law, certified public accountant, certified tax accountant, or other consultant who has received a significant amount of cash or other property (the average transaction amount per fiscal year over the past three (3) years is ¥5 million or more) from the Company other than officer compensation;
 - (11) A person belonging to a legal firm, audit firm, certified tax accountant firm, consulting firm, or other specialized advisory firm that has received a significant amount of cash or other property (the average transaction amount per fiscal year over the past three (3) years is ¥10 million or more) from the Company other than officer compensation (however, this excludes support staff);
 - (12) A person who fell under either of the above categories (1) or (2) at any point over the past ten (10) years;
 - (13) A person who fell under any of the above categories (3) to (9) at any point over the past three (3) years;
 - (14) A relative within the second degree of kinship of a person falling under any of the above categories (1) to (13).

Proposal 4: Renewal of Measures for Responding to a Large-scale Purchase of the Company's Shares, etc. (Takeover Defense Measures)

The Company has continued to implement "measures for responding to a large-scale purchase of the Company's shares, etc. (takeover defense measures)" (the "Existing Plan"), after receiving shareholders' approval at the 8th Annual General Meeting of Shareholders held on June 26, 2015.

The effective period of the Existing Plan will expire at the conclusion of this Annual General Meeting of Shareholders ("this General Meeting of Shareholders").

Taking into consideration changes in trends after the introduction of the Existing Plan and other factors, the Company has considered the status of the Existing Plan, including the appropriateness of its continuation, from the perspective of enhancing the corporate value of the Company and securing shareholders' common interests.

As a result, at a meeting held on May 21, 2018, the Board of Directors resolved to renew the Existing Plan, based on the unanimous opinion of all 9 Directors, including 3 Outside Directors (hereinafter, the plan after the changes is referred to as "this Plan"). Furthermore, at present, the Company has not received any proposal regarding a large-scale purchase.

<Main Changes to the Existing Plan>

- The "Initiatives to Enhance the Corporate Value of the Company and Shareholders' Common Interests" have been renewed.
- In order to eliminate arbitrary implementation by the Board of Directors, the Existing Plan stated that the Board of Directors would respect the recommendation of the Independent Committee to the maximum extent possible, but this has been changed to state that the Board of Directors will comply with the recommendation (however, this excludes cases when it is judged that complying with the recommendation would violate Directors' duty of care).
- The activation of countermeasures (refers to the issuance of subscription rights to shares by gratis allotment (please refer to Attachment 1 for an overview thereof); hereinafter, the same applies) against a large-scale purchase (as defined in the below item 4. 2) (1); hereinafter, the same applies) shall require approval by resolution at a General Meeting of Shareholders. (However, this excludes cases when the Independent Committee makes a recommendation to the effect that activating countermeasures without obtaining approval at the General Meeting of Shareholders is desirable.)
- The Existing Plan stated that substantial changes would require approval at a General Meeting of Shareholders, but changes other than substantial changes could be made with the approval of the Board of Directors, while respecting the recommendation of the Independent Committee to the maximum extent possible. In this Plan, changes will require approval at a General Meeting of Shareholders, and changes that can be made with the approval of the Board of Directors have been limited to changes to respond to amendments to or the discontinuation of laws and regulations.
- In addition, minor amendments have been made, including revisions of the information to be submitted to the Board of Directors of the Company, partial changes to the members of the Independent Committee, and other amendments to phrasing, but the basic content of this Plan and the Existing Plan are the same.

1. Initiatives to Enhance the Corporate Value of the Company and Shareholders' Common Interests

1) Basic Approach

The management philosophy of the Group is "1st for you." In addition, based on this philosophy, the Company has set forth the following Basic Management Policy.

- The Company strives to ensure that everyone connected with our Group can enjoy beauty, health, and abundant lifestyles for as long as they like.
- The Company promotes self-medication to support the coming ageing society, and intends to serve as the local "family pharmacy" to help guard the health of our customers and their loved ones.
- The Company aims to become a corporate group essential in the fields of health and beauty through always creating new values and providing sincere services in these fields.
- The Company aims to become a corporate group trusted and supported by all its stakeholders, so shall continue to work unceasingly, constantly tackle challenges, and grow to achieve this.

2) Management Vision

The Group has set forth its Management Vision as follows: "In the beauty and health business fields, aiming to become a corporation with 1 trillion yen in sales." In addition, as management goals for

achieving this vision, the Group aims to achieve “Group sales of 800,000 million yen and ROE exceeding 10% by the fiscal year ending March 31, 2021.”

The Group does not consider “ROE exceeding 10%” in terms of pursuing short-term profits, but instead sufficiently recognizes the relationship between ROE and the cost of shareholders’ equity, and considers this an important indicator linked to the sustainable growth of the Group and the creation of long-term corporate value.

3) Mid- to Long-term Management Strategy

Since Kiyoshi Matsumoto founded the Group in Matsudo City, Chiba Prefecture in 1932 as “Matsumoto Pharmacy,” the Group has established a new “drugstore format,” at a time when pharmacies were the mainstream, and has led the drugstore industry over many years. Even today, the Group continues to steadily grow its businesses, utilizing its strength, the “spirit of challenge,” inherited from the time of its founding.

The Group believes that the sources of the Group’s corporate value are:

- a) Large store network in good locations, mainly in cities, with a high level of brand awareness and brand strength;
- b) A CRM information platform that combines data held regarding customers and various contact points with customers;
- c) Advanced data analysis expertise utilized in opening stores, promotion, product development, etc.;
- d) Human resources management that promotes securing, developing, and retaining excellent human resources and supports corporate growth;
- e) A sound financial position to realize investment in future growth and shareholder returns.

Accordingly, in order to maximize the corporate value of the Company and shareholders’ common interests, it is important to develop and strengthen these sources supporting the corporate value of the Group from a medium- to long-term perspective.

The Group sufficiently understands the expectations placed on it, and its roles and importance in the ultra-ageing society to come in Japan, and aims to become a “corporate group essential in the fields of health and beauty.” In order to achieve this aim, the Group has focused on enhancing corporate value and shareholders’ common interests, centered on “specialization in the areas of health and beauty (the Health & Beauty Business),” “collection and utilization of big data,” and the “further enhancement of marketing strength.”

As a result, in the fiscal year ended March 31, 2018, the domestic store network grew to 1,604 stores and net sales and operating profit both increased to 558,879 million yen and 33,565 million yen, respectively, the highest ever.

From the fiscal year ending March 31, 2019, the Group will focus on the following three strategic themes as it looks to achieve its management vision and management goals:

- 1. Build a new format model aimed at creating demand <Create new customers>
- 2. Further evolve CRM based on an omnichannel strategy <Pursue customer satisfaction>
- 3. Increase market share and establish a solid earnings base <Strengthen Group management>

The Group shall steadily implement the above strategic themes with all companies in the Group working together, as it further strives to enhance the corporate value of the Company and shareholders’ common interests.

4) Initiatives Aimed at Strengthening Corporate Governance

(1) Basic Approach to Corporate Governance

Based on its management philosophy, the Group aims to enhance corporate governance, which is the foundation of building long-term relationships of trust with all stakeholders, not just customers, but also shareholders, employees, business partners, local communities, etc., and remaining a corporate group that is necessary to society as a “corporate group essential in the fields of health and beauty.”

(2) Overview of Corporate Governance Systems

As a Company with a Board of Corporate Auditors, the Company has a General Meeting of Shareholders, Board of Directors, and Board of Corporate Auditors.

Three of nine Directors of the Company are Outside Directors, and two of three Corporate Auditors are Outside Corporate Auditors, and the Company has designated all of these three Outside Directors and two Outside Corporate Auditors as Independent Officers as stipulated by the regulations of the

Tokyo Stock Exchange.

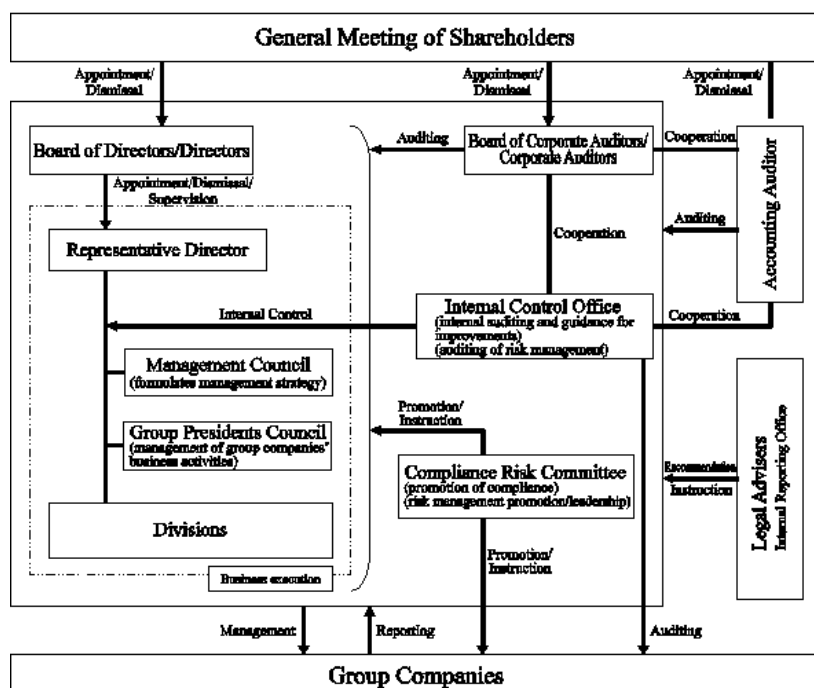
Independent Officers, whose high level of independence is ensured, work together, and through incorporating external perspectives into the Board of Directors and the Board of Corporate Auditors, the Company enhances its supervisory function, audit function, and diversity.

The Company has also made Directors' term of office one year and further clarified Directors' mission and responsibilities, in addition to introducing an Executive Officer system and dividing the execution of business operations and supervision in corporate management, thus clarifying the functions and responsibilities of Directors and Executive Officers.

As another corporate governance system, in order to make the execution of responsibilities more efficient, the Company has established a Management Council comprising Directors, Executive Officers, and the Standing Corporate Auditor as a committee under the Board of Directors, and has established a Group President Council in order to manage, instruct, and advise group companies in a sound and effective manner.

In addition, the Company has established an Internal Control Office as an internal audit department, which cooperates closely with Corporate Auditors to monitor internal audits relating to the business activities of each department and group company, and internal control systems, thus ensuring the appropriateness and efficiency of business activities, and creating an effective audit system.

Furthermore, the Company believes that activities that closely link compliance and risk management are necessary, and has established a Compliance Risk Committee in order to promote compliance and risk management for the Company and the Group.



5) Dividend Policy and Amount

The Company regards the distribution of profit to the shareholders to be one of the most important issues for management. The Company's basic policy is to make continuous and stable payment of dividends by strengthening management foundations and improving profitability.

The Company will utilize its internal reserves for investments that will lead to the Company's growth, such as expansion of existing businesses and development of new businesses including infrastructure development and expansion of services as well as M&A, in order to cope with the expected changes in business environment.

With regard to the bodies responsible for decisions pertaining to the distribution of surplus, the General Meeting of Shareholders and the Board of Directors make decisions regarding the year-end dividend and the interim dividend respectively.

Based on this policy, the Company intends to pay a year-end dividend for the fiscal year ended March 31, 2018 of ¥60* per share (a full-year dividend of ¥110* together with the interim dividend of ¥50).

Item	FY ended March 31, 2015	FY ended March 31, 2016	FY ended March 31, 2017	FY ended March 31, 2018
Dividends (yen)	60	85	95	110*
Payout ratio	27.7%	25.5%	25.0%	25.6%

* The Company conducted a split with a 2-for-1 stock split of common stock, with a record date of December 31, 2017, and the amount shown is the amount calculated on a pre-stock split basis.

2. Reasons for Renewing the Existing Plan

Since our founding in 1932, the Company has established a new "drugstore format," at a time when pharmacies were the mainstream, and has led the drugstore industry over many years. Even today, the Group continues to steadily grow its businesses, utilizing its strength, the "spirit of challenge," inherited from the time of its founding.

Since the Company moved to a holding company structure in October 2007, the Company has continued to create value for all stakeholders, including "customers," "shareholders," "employees," "business partners," and "local communities," under the Group management philosophy and the Basic Management Policy, based on that management philosophy.

As a result, as described above, the Group's business performance has been robust as profitability has been improved, its financial position has been strengthened, and shareholder returns have been augmented.

In addition, the effects of these initiatives has gradually become apparent in the performance of the Company's shares, and from the establishment of the Company (October 1, 2007) to March 31, 2018, the Company's shares' performance has been robust, exceeding that of the Tokyo Stock Price Index.

As further ambitious goals, the Company has set forth its Management Vision of "In the beauty and health business fields, aiming to become a corporation with 1 trillion yen in sales," and has set management goals of "Group sales of 800,000 million yen and ROE exceeding 10% by the fiscal year ending March 31, 2021," and in order to achieve these goals, the Company must focus all management resources on the Group's five sources of corporate value that it has developed thus far.

On the other hand, under Japan's current capital markets and legal systems, the Company believes the possibility remains that a hostile takeover may be attempted that effectively forces shareholders to sell their shares, whereby a purchaser uses abundant financial resources to easily acquire the management resources that the Company has developed over many years, and clearly only pursues his or her own interests, without consideration for the corporate value of the Company and shareholders' common interests.

Comprehensively considering these circumstances, the Company has decided to renew the Existing Plan with certain changes, subject to receiving approval at this General Meeting of Shareholders, for four main reasons.

- It is believed that the Existing Plan has effectively fulfilled the role of sustainably enhancing the corporate value of the Company and enhancing shareholders' common interests.
- The Existing Plan may fulfill a meaningful role in securing an environment for concentrating all management resources on achieving the Company's Management Vision and management goals.
- Under Japan's current capital markets and legal systems, a purchaser may acquire control of the management of a corporation by acquiring some of its shares, and abusive corporate takeovers are possible, and therefore the possibility of a takeover that will clearly harm the corporate value of the Company and shareholders' common interests cannot be denied.
- It is necessary to ensure sufficient information and time to contribute to shareholders' judgment, in the event of a large-scale purchase.

3. Details of the Basic Policy Regarding the Status of Persons Controlling Decisions about the Company's Financial and Business Policies

As a purchase affecting control of the right to manage the Company, there may be a so-called "hostile takeover" conducted without the consent of the Board of Directors of the Company, but as its basic policy regarding control of the Company, the Company shall not categorically reject such a purchase if it contributes to corporate value and shareholders' common interests.

Additionally, the Company believes that judgments regarding purchase proposals accompanied by a transfer of control of a stock company should ultimately be conducted based on the will of shareholders.

However, among such purchases, it cannot be denied that there are some that may result in a violation of corporate value and shareholders' common interests, such as those that clearly do not consider corporate value and shareholders' common interests and solely pursue the purchaser's own interests, those that effectively force shareholders to sell their shares, and those that do not provide sufficient information and time for the shareholders and Board of Directors of the target company to consider the details of the large-scale purchase, etc. or for the Board of Directors of the target company to present an alternative proposal.

Furthermore, as of March 31, 2018, 21.93% of the Company's issued shares are held by Directors of the Company and their related parties, but the large majority of these are individual shareholders, and there is a possibility that these shareholders will transfer or otherwise dispose of the Company's shares in future owing to their respective circumstances, so it cannot be denied that there is a possibility that this shareholding ratio will change.

Under these circumstances, the Company recognizes that the Board of Directors of the Company has the important responsibility of protecting the corporate value of the Company and shareholders' common interests by, for example, requesting information from the acquirer regarding matters necessary for the judgment of shareholders, announcing the view of the Board of Directors of the Company regarding this information, and securing sufficient details and time for shareholders to appropriately consider the purchase based on this information, in addition to securing opportunities to negotiate with the acquirer, and presenting alternative proposals to shareholders.

For the above reasons, in order to further enhance the corporate value of the Company and shareholders' common interests and concentrate all management resources on those initiatives, it is considered necessary to determine certain rules regarding large-scale purchases and cases when a purchase proposal is made based on a large-scale proposal, and the Company thus believes it necessary to renew the Existing Plan.

4. Details of this Plan

1) Purpose of this Plan

In presenting procedures that must be complied with to an acquirer in advance, this Plan seeks the submission of information that will contribute to the judgment of shareholders, and the view of the Board of Directors of the Company in regard to this information will be made public.

The objective of this Plan is to protect and enhance the corporate value of the Company and shareholders' common interests, by measures including ensuring shareholders have sufficient content and time to engage in appropriate consideration based on this information, securing opportunities to negotiate with the acquirer, and presenting alternative proposals to shareholders.

2) Procedures of this Plan

(1) Applicable Large-scale Purchases, etc.

Large-scale purchases to which this Plan shall apply shall be purchases of the Company's share certificates, etc. (Note 3) where the objective is for a specified shareholder group (Note 1) to achieve a voting rights ratio (Note 2) of 20% or more, or purchases of the Company's share certificates, etc. where the voting rights ratio of the specified shareholder group shall be 20% or more as a result of the purchase (this shall apply regardless of the purchase method, but shall exclude those to which the Board of Directors of the Company has consented in advance; hereinafter, such a purchase shall be referred to as a "large-scale purchase," and a specified shareholder group conducting such a purchase shall be referred to as a "large-scale purchaser").

(2) Establishment of the Independent Committee

The Board of Directors of the Company shall establish an Independent Committee as an organization that is independent from the Board of Directors, in order to ensure the objective, reasonable, and fair implementation of this Plan (please refer to Attachment 2 for an overview).

The Independent Committee shall comprise three (3) or more members, who shall be selected from Outside Directors independent from the management of the Company, Outside Corporate Auditors,

attorneys, Certified Public Accountants, Certified Public Tax Accountants, academic experts, persons familiar with investment banking operations, corporate managers with a track record of performance, etc.

The objective of the Independent Committee is to eliminate arbitrary decisions by the Board of Directors and ensure objectivity when implementing this Plan, in regard to such matters as whether appropriate information has been requested from the large-scale purchaser, whether the large-scale purchaser has complied with the procedures presented in advance to be complied with in this Plan (the “large-scale purchase rules”), whether the large-scale purchase by the large-scale purchaser will significantly harm the Group’s corporate value and shareholders’ common interests, and whether countermeasures should be activated.

The Independent Committee may, as necessary, request the attendance of the Company’s Directors, Corporate Auditors, and employees at its meetings, and request the submission and explanation of necessary information. Additionally, the Independent Committee may obtain the advice of third-parties (including financial advisers, Certified Public Accountants, attorneys, consultants, and other experts) at the Company’s expense, in order to seek reasonableness and objectivity.

The recommendation of the Independent Committee shall be publicly disclosed, and the Board of Directors of the Company shall comply with this recommendation in its response (however, this shall exclude cases when it is judged that complying with the recommendation would violate Directors’ duty of care; hereinafter, the same applies). Through this system, the Company believes that the objectivity, fairness, and reasonableness of judgments of the Board of Directors of the Company may be ensured.

(3) Submission of Information

a) Specific Content of the Information to be Provided

In the event that a large-scale purchaser attempts to conduct a large-scale purchase, the large-scale purchaser shall first suspend the purchase of the Company’s shares for a certain period (the period until the Board of Directors of the Company consents to the proposal by the large-scale purchaser, or makes a resolution not to activate countermeasures), and shall submit to the Board of Directors of the Company, in advance, the information set forth in the following items i) through x), as information that will contribute to the judgment of shareholders.

The Information Acquisition Period (as defined in the below item b)) shall begin from the day all or part of the information that will contribute to the judgment of shareholders is first submitted, but in the event that the large-scale purchase is commenced when this period has not begun (including public notice of the commencement of a tender offer or other announcement of intent to purchase; hereinafter, the same applies), i.e. if the large-scale purchase is conducted without the submission of any information that will contribute to the judgment of shareholders, it shall be recognized as clear that the large-scale purchase rules have not been complied with, as it shall lack any basis for shareholders to judge the appropriateness of the large-scale purchase.

Furthermore, information submitted by the large-scale purchaser must contribute to the judgment of shareholders, and therefore it must be true and accurate when it is submitted, and must not cause any misunderstandings among shareholders.

<Information to be Submitted in Advance>

- i) Details of the large-scale purchaser:
 - Background or history
 - Capital structure
 - Officer composition
 - Major business activities
 - Major shareholders
 - Group organization chart
 - Details of any past transactions of a similar type to the purchase, and the resulting impact on the corporate value of the target company and shareholders’ common interests.
- ii) Experience of business activities related to drugstores
- iii) Current ownership ratio of the Company’s shares
- iv) Calculation basis for the purchase price (including facts used as assumptions for the calculation, calculation method, any numerical data used in the calculation, and the details of any synergies expected to arise owing to the series of transactions related to the purchase)
- v) Specific name of backing for the purchase funds (provider of funds (including any de facto providers)), method of raising funds, whether collateral has been pledged (including whether or not there are any plans to pledge the assets of the Company as collateral; and including the details of any related transactions), and any plans to recover the purchase funds (including repayment

- plans for funds raised if raising funds externally)
- vi) Purchase objective, method, and details (including the amount and type of consideration for the purchase, timing of the purchase, structure of any related transactions, legality of the purchase method, and feasibility of the purchase, etc.)
- vii) Any current trading relationships with the Company and its affiliated companies
- viii) Role of the Company after completion of the large-scale purchase, management policy, management plans, business plans, financial policy, capital policy, and dividend policy of the Company (including numerical targets for the three (3) year period after the acquisition), and names and past experience of any candidates for officers
- ix) Specific measures to avoid a conflict of interest with other shareholders of the Company
- x) The following matters for after completion of the large-scale purchase:
 - Policy pertaining to holding the Company's shares (including any plans to dispose of shares) and any plans to make additional acquisitions (including any plans to conduct a tender offer, etc. by the specified shareholder group)
 - Any plans to acquire treasury shares by the Company (including any plans for a tender offer, etc. for the Company's shares by the Company)
 - Any plans for organizational restructuring of the Company or its Group companies
 - Policy pertaining to holding shares of subsidiaries held by the Company and Group companies, and other important assets, such as real estate, etc. (including high-value assets, etc. not immediately related to the Group's businesses) (including any plans for disposal)
 - Whether or not there will be any changes in relationships with employees, business partners, customers, and other stakeholders of the Group, and policies for the treatment of these stakeholders.

b) Cases when the Information Submitted in Advance is Insufficient

After considering the information provided, the Board of Directors of the Company may request any additional information considered necessary (hereinafter, referred to together with the aforementioned items i. through x. as the "Required Information"), only during the period from the day when all or part of the information that will contribute to the judgment of shareholders based on the above item a) is first submitted to the Board of Directors until sixty (60) days have passed (the "Information Acquisition Period").

Furthermore, even in cases when all or part of the Required Information requested by the Company has not been provided by the large-scale purchaser when the Information Acquisition Period has passed, the Information Acquisition Period may be further extended by up to thirty (30) days if there is a request from the large-scale purchaser for an extension of the period during the Information Acquisition Period, and if the reasons thereof are recognized as reasonable.

Additionally, from the perspective of accelerating the implementation of the large-scale purchase rules, a deadline for submission by the large-scale purchaser may be established as necessary.

If there is a proposal for a large-scale purchase, the Board of Directors of the Company shall promptly make a public announcement. In addition, all or part of the information submitted shall be publicly released at a point judged to be appropriate.

c) If the Required Information is Complete

If it is judged that the Required Information is complete, the Board of Directors of the Company shall begin considering it as described below in "(4) Consultation, Consideration, and Evaluation by the Board of Directors and Recommendation, Consideration, and Evaluation by the Independent Committee."

d) If No Information that will Contribute to the Judgment of Shareholders is Submitted in Advance

If the large-scale purchaser commences the large-scale purchase without submitting any information to the Board of Directors of the Company as described in the above item a), it shall be recognized as clear that the large-scale purchaser has not complied with the large-scale purchase rules, and the Board of Directors shall immediately begin consideration as described in "(3) Policy for Responding to a Large-scale Purchase (3) Cases when it is Clear that the Large-scale Purchaser is not Complying with the Large-scale Purchase Rules," without making any demand for the submission of the Required Information from the large-scale purchaser.

(4) Consultation, Consideration, and Evaluation by the Board of Directors and Recommendation, Consideration, and Evaluation by the Independent Committee

The Board of Directors of the Company and the Independent Committee shall perform the following tasks within a maximum of sixty (60) days from the day the Required Information is judged to be complete (hereinafter, this period shall be referred to as the “Evaluation Period”).

The Board of Directors of the Company shall consider and evaluate the Required Information submitted by the large-scale purchaser, and shall form a basic opinion regarding whether the large-scale purchase by the large-scale purchaser will be consistent with maintaining and enhancing the corporate value of the Company and shareholders’ common interests.

Furthermore, during the Evaluation Period, the Board of Directors of the Company may, as necessary, negotiate improvements in terms related to the large-scale purchase with the large-scale purchaser, or present an alternative proposal to shareholders as the Board of Directors of the Company.

At the same time, the Board of Directors of the Company may consult the Independent Committee based on the Required Information submitted by the large-scale purchaser.

The Independent Committee shall sufficiently consider and evaluate the Required Information submitted by the Board of Directors of the Company, referring to advice from external experts, etc. and the views of Corporate Auditors as necessary, and shall recommend the results of its evaluation to the Board of Directors.

The Board of Directors of the Company shall comply with the recommendation of the Independent Committee, formulate a view as the Board of Directors of the Company, and publicly disclose this as its final judgment.

3) Policy for Responding to a Large-scale Purchase

(1) If the Large-scale Purchaser Complies with the Large-scale Purchase Rules

- a) If the large-scale purchaser complies with the large-scale purchase rules and the Board of Directors of the Company judges that, as a result of comprehensively considering the Required Information submitted by the large-scale purchaser, the large-scale purchase will contribute to the enhancement of the corporate value of the Company and shareholders’ common interests, then the Board of Directors shall pass a resolution not to activate countermeasures, and shall publicly announce its view to that effect.

When making its judgment, the Board of Directors of the Company shall comply with the recommendation of the Independent Committee, and shall make a resolution as the Board of Directors of the Company.

On the other hand, if the Board of Directors of the Company thinks there are problems with the large-scale purchase or post-purchase management policies, etc., then it may publicly announce its view, or present an alternative proposal.

Shareholders must assess whether or not to accept the purchase proposal of the large-scale purchaser, taking into consideration the purchase proposal, the views of the Board of Directors of the Company, any alternative proposal, etc.

- b) Even if the large-scale purchase rules are complied with, in the event that the large-scale purchase falls under any of the below categories, and the Board of Directors of the Company judges that the large-scale purchase will significantly harm the corporate value of the Company and shareholders’ common interests and the activation of countermeasures is appropriate, then, the Board of Directors of the Company shall provide shareholders with appropriate and sufficient information related to the purchase proposal by the large-scale purchaser, the view of the Board of Directors of the Company regarding the purchase proposal, and any alternative proposal, etc.

Subsequently, the Company shall promptly convene a General Meeting of Shareholders in accordance with the provisions of laws and regulations, and shall submit a proposal regarding the activation of countermeasures.

When making its judgment, the Board of Directors of the Company shall comply with the recommendation of the Independent Committee, and shall make a resolution as the Board of Directors of the Company.

Furthermore, the Company shall only seek a judgment on whether or not to activate countermeasures at the General Meeting of Shareholders in cases when it is judged that the large-scale purchase will significantly harm the corporate value of the Company and shareholders’ common interests, and it is also judged that the activation of countermeasures is appropriate, and shall not seek such a judgment based solely on the fact that the purchase formally falls under any of the below categories.

- i) Cases when the purchase is such that it will cause clear harm to the corporate value of the Company and shareholders’ common interests, owing to any of the actions below:

- a. Actions where the purchaser buys up shares, and forces parties related to the Company to purchase those shares back at a high price;
 - b. Actions where the purchaser temporarily controls the Company, disposes of highly valued assets, etc. not immediately related to the Company's businesses, and uses the proceeds from the disposal to pay a one-time high dividend, or takes advantage of the sudden increase in the share price caused by the one-time high dividend to sell shares at a high price;
 - c. Actions where the purchaser temporarily controls the company and manages in a way that will create profits for the large-scale purchaser, etc. through the sacrifice of the Company, such as acquiring important assets of the Company, etc. for a low price;
 - d. Actions where the purchaser uses the assets of the Company as collateral or repayment funds for the debt of the large-scale purchaser or his or her group companies, etc.
 - ii) Cases when a purchase is conducted that may effectively force shareholders to sell their shares, such as a coercive two-stage purchase (refers to a purchase of shares by tender offer, etc. where less favorable purchase terms are set for the second stage than the first purchase terms, or purchase terms for the second stage are not made clear).
- c) If the proposal regarding the activation of countermeasures is passed by ordinary resolution at the General Meeting of Shareholders, the Board of Directors of the Company shall pass a resolution to activate countermeasures, and conversely, if the proposal is rejected, the Board of Directors of the Company shall pass a resolution not to activate countermeasures.
- d) If the Independent Committee makes a recommendation to the effect that activating countermeasures without obtaining approval at the General Meeting of Shareholders is desirable, etc., the Board of Directors of the Company shall resolve to activate countermeasures without holding a General Meeting of Shareholders as described in the above item b).

(2) If there are Doubts about Whether the Large-scale Purchaser is Complying with the Large-scale Purchase Rules

If there are doubts regarding whether the large-scale purchaser is complying with the large-scale purchase rules, that fact and the basic views of the Board of Directors of the Company shall be publicly announced, and the Board of Directors of the Company shall consult the Independent Committee, without fail, regarding determination of whether the large-scale purchaser has complied with the large-scale purchase rules, the appropriateness and details of the activation of countermeasures, and the necessity of a resolution for approval thereof at a General Meeting of Shareholders.

The Board of Directors of the Company shall comply with the recommendation of the Independent Committee and make a final decision in regard to these matters, while also referring to advice from external experts, etc. and the views of Corporate Auditors.

Furthermore, when determining whether or not the large-scale purchaser has complied with the large-scale purchase rules, the Independent Committee shall take into consideration such factors as the large-scale purchaser not possessing detailed information regarding the Company, and shall not determine that the purchaser has not complied with the large-scale purchase rules for the sole reason of part of the required documents requested by the Board of Directors of the Company not being submitted.

(3) Cases when it is Clear that the Large-scale Purchaser is not Complying with the Large-scale Purchase Rules

The Board of Directors of the Company shall publicly announce the fact that the large-scale purchaser has commenced the large-scale purchase without submitting any information to the Board of Directors of the Company, it shall be considered clear that the large-scale purchase rules are not being complied with, as it shall lack any basis for shareholders to judge the appropriateness of the large-scale purchase, and the Board of Directors shall form and publicly announce a basic opinion.

However, even in cases when it is clear that the large-scale purchaser is not complying with the large-scale purchase rules, the Board of Directors of the Company shall consult the Independent Committee without fail, in regard to the appropriateness and details of the activation of countermeasures and the necessity of a resolution for approval thereof at a General Meeting of Shareholders, and shall comply with the recommendation of the Independent Committee and make a final decision, while also referring to advice from external experts, etc. and the views of Corporate Auditors.

Furthermore, cases when the large-scale purchaser commences the large-scale purchase without

submitting any information to the Board of Directors of the Company as described in item 3) (1) a), and cases when the large-scale purchaser does not respond to a request from the Board of Directors of the Company to suspend the purchase of the Company's shares may be expected as cases when it is clear that the large-scale purchaser is not complying with the large-scale purchase rules.

(4) Cancellation of the Activation of Countermeasures

If the large-scale purchaser withdraws the purchase, or changes arise to the facts forming the basis for the judgment to recommend the activation of countermeasures, and it is judged that the activation of countermeasures is no longer appropriate, then the Independent Committee may recommend that the Board of Directors of the Company cancel the activation of countermeasures.

Upon receiving this recommendation, the Board of Directors of the Company shall comply with this recommendation, and make a resolution to cancel the activation of countermeasures.

If the Board of Directors of the Company resolves to cancel the activation of countermeasures, the Company shall promptly disclose information regarding an overview of the resolution, and any other matters judged appropriate by the Board of Directors of the Company.

If a decision is made to cancel countermeasures, the following procedures shall be taken.

- i) If a resolution is passed to conduct a gratis allotment of subscription rights to shares, and a decision is made to cancel it on any day up to and including the day before the gratis allotment of subscription rights to shares, then the Company shall cancel the gratis allotment of subscription rights to shares.
- ii) If, after a gratis allotment of subscription rights to shares is conducted, a decision is made to cancel it on any day up to and including the day before the exercise period of the subscription rights to shares begins, then the Company shall not deliver shares in the Company to holders of subscription rights to shares, and shall acquire the subscription rights to shares without consideration.

4) Effect on Shareholders and Investors

(1) Effect on Shareholders and Investors when this Plan is Renewed

Countermeasures shall not be taken when this Plan is renewed, and therefore there will be no direct, specific impact on the rights or economic interests of shareholders and investors.

(2) Effect on Shareholders and Investors when Countermeasures are Activated

In the event that the Company activates countermeasures against the large-scale purchase, shareholders other than the large-scale purchaser are not expected to suffer any particular loss in terms of their statutory rights or economic interests, owing to the mechanism of the countermeasures.

If the Board of Directors of the Company resolves to take specific countermeasures, it shall make timely, appropriate disclosure thereof, in accordance with laws and regulations and the rules of securities exchanges.

Furthermore, if the Company conducts a gratis allotment of subscription rights to shares as a countermeasure, then shareholders of the Company shall be required to make payment of one (1) yen or more per subscription right to shares within the prescribed period, in order to acquire new shares through the exercise of the subscription rights to shares.

The Company shall separately inform shareholders of the details of these procedures when actually issuing the subscription rights to shares, pursuant to laws and regulations. However, in order to acquire subscription rights to shares, shareholders must be recorded in the final shareholder register on the record date of the subscription rights to shares separately determined and publicly announced by the Board of Directors of the Company.

Additionally, even on or after the record date of the subscription rights to shares, the Company may cancel the gratis allotment of subscription rights to shares or acquire the subscription rights to shares without consideration and without delivering shares in the Company, up to and including the day before the start date of the exercise period of the subscription rights to shares, owing to such circumstances as, for example, the large-scale purchaser withdrawing the purchase, etc.

In such cases, there shall be no dilution in value per share, and therefore, there is a possibility that shareholders and investors who have conducted a sale, etc. based on the assumption that a dilution in value per share will occur may suffer a commensurate loss owing to fluctuation in the share price.

5) Effective Period and Discontinuation

The effective period of this Plan will be the three (3) years until the conclusion of the Annual General Meeting of Shareholders for the final fiscal year ending within three (3) years of this General Meeting of Shareholders.

However, even during the effective period, if a resolution is passed by the Board of Directors or at a General Meeting of Shareholders to discontinue this Plan, then this Plan shall be discontinued at that point.

Additionally, from the perspective of protecting the interests of shareholders, the Board of Directors of the Company shall revise this Plan as necessary based on the creation, amendment, etc. of related laws and regulations, including the Companies Act and the Financial Instruments and Exchange Act, and shall obtain approval at a General Meeting of Shareholders for changes to this Plan.

However, changes to respond to amendments to or the discontinuation of laws and regulations shall be made by resolution of the Board of Directors, and if it decides to make changes, it shall make timely, appropriate disclosure thereof, in accordance with laws and regulations and the rules of securities exchanges.

5. Reasonableness of this Plan

When designing this Plan, the Company has considered the following points, and believes that it follows the basic policy of the Company and is consistent with corporate value and shareholders' common interests, and its purpose is not to maintain the status of the Company's officers.

(1) Reflects the Will of Shareholders

The activation of countermeasures under this Plan shall be based on resolution at a General Meeting of Shareholders, in principle.

In addition, the renewal of this Plan shall be subject to receiving the approval of shareholders at this General Meeting of Shareholders. As described in the above item 4. 5), even prior to the end of the effective period of this Plan, if a resolution is passed to discontinue this Plan by the Board of Directors or at a General Meeting of Shareholders, then this Plan shall be discontinued at that point.

Accordingly, this Plan reflects the will of shareholders in its continuation and the activation of countermeasures.

(2) Fulfills the Criteria of the Guidelines Regarding Takeover Defense, etc.

This Plan fulfills all three principles set forth in the "Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholder's Common Interests" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 ((1) principle of protecting and enhancing corporate value and the interests of shareholders as a whole, (2) principle of prior disclosure and shareholder's will, and (3) principle of ensuring the necessity and reasonableness).

In addition, the content of this Plan also takes into consideration the "Takeover Defense Measures in Light of Recent Environmental Changes" announced by the Corporate Value Study Group on June 30, 2008.

Furthermore, this Plan is consistent with the intent of various rules pertaining to the introduction of takeover defense measures set forth by the Tokyo Stock Exchange, etc.

(3) Eliminates the Discretion of the Board of Directors of the Company through Compliance with the Judgment of Highly Independent External Persons

Upon the introduction of this Plan, the Company has established an Independent Committee as a body for eliminating arbitrary judgments by the Board of Directors of the Company when implementing the activation of countermeasures under this Plan, etc., and objectively making practical judgments on shareholders' behalf.

The Independent Committee shall comprise three (3) or more members, who shall be persons with no special interests with the Company, such as Outside Directors, Outside Corporate Auditors, attorneys, Certified Public Accountants, Certified Public Tax Accountants, academic experts, persons familiar with investment banking operations, and corporate managers with a track record of experience.

The Company shall comply with the recommendation of the Independent Committee in its response when activating countermeasures under this Plan or canceling the activation of countermeasures. Through these measures, the discretion of the Board of Directors of the Company is eliminated, and the fairness of this Plan is ensured.

(4) Not Dead-hand or Slow-hand Takeover Defense Measures

As described in the above item 4. 5), this Plan may be discontinued by resolution of the Board of Directors of the Company, which comprises Directors elected at the General Meeting of Shareholders of the Company, and it is possible for this Plan to be discontinued by a large-scale purchaser nominating Directors at a General Meeting of Shareholders of the Company and passing a resolution with the Board of Directors of the Company that comprises these Directors.

Accordingly, this Plan is not a dead-hand takeover defense measure (takeover defense measures whose activation cannot be prevented even if a majority of Directors comprising the Board of Directors are replaced). In addition, as the term of office of Directors of the Company is one (1) year, this Plan is not a so-called slow-hand takeover defense measure (takeover defense measures whose activation requires time to prevent as Directors comprising the Board of Directors cannot all be replaced at once).

Note 1: A specified shareholder group refers to: (i) a holder (including persons included as holders pursuant to Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act; hereinafter, the same applies) of the Company's share certificates, etc. (refers to share certificates, etc. as provided for in Article 27-23, Paragraph 1 of the same) and any joint holders (refers to joint holders as provided for in Article 27-23, Paragraph 5 of the same and including persons deemed joint holders pursuant to Paragraph 6 of the same; hereinafter, the same applies) and certain persons in a relationship similar to that of a holder or joint holder with the holder or joint holder (hereinafter, "joint holder equivalent(s)"); and (ii) a person conducting a purchase, etc. (refers to a purchase, etc. as provided for in Article 27-2, Paragraph 1 of the same, and includes those conducted on exchanges and marketable security exchanges, regardless of whether the method used is an auction) of the Company's share certificates, etc. (refers to share certificates, etc. as provided for in Article 27-2, Paragraph 1 of the same) and any specially related parties (refers to specially related parties as provided for in Article 27-2, Paragraph 7 of the same).

Note 2: Voting rights ratio refers to: (i) if the specified shareholder group falls under category (i) in Note 1. above, the total ratio of: a) the ownership ratio of share certificates, etc. of the holder (refers to the ownership ratio of share certificates, etc. as provided for in Article 27-23, Paragraph 4 of the same; in this case, the number of share certificates, etc. held (refers to the number of share certificates, etc. held as provided for in the same; hereinafter, the same applies) by joint holders of the holder shall also be considered in the calculation), and b) the ownership ratio of share certificates, etc. of any joint holder equivalents of the holder (however, when summing the ratios described in a) and b), the number of share certificates, etc. held duplicated between a) and b) shall be excluded); or (ii) if the specified shareholder group falls under the category (ii) in Note 1. above, the total ownership ratio of share certificates, etc. of the large-scale purchaser and any specially related parties (refers to the ownership ratio of share certificates, etc. as provided for in Article 27-2, Paragraph 8 of the same). When calculating each ownership ratio of share certificates, etc., the most recently submitted annual securities report, semiannual securities report, quarterly securities report, or report on repurchases may be referred to for the total number of issued shares (as provided for in Article 27-23, Paragraph 4 of the same) and total number of voting rights (as provided for in Article 27-2, Paragraph 8 of the same).

Note 3: Share certificates, etc. refers to share certificates, etc. as provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

Overview of the Subscription Rights to Shares

1. Issuance Criteria and Eligible Shareholders for the Granting of Subscription Rights to Shares

The Company shall allot subscription rights to shares without requiring additional payment at a ratio of one (1) subscription right to shares per share of common stock in the Company held (however, this excludes shares of common stock in the Company held by the Company) to shareholders recorded in the final shareholder register on the date determined to be the record date by the Board of Directors of the Company.

2. Type and Number of Shares Underlying the Subscription Rights to Shares

The type of shares underlying the subscription rights to shares shall be shares of common stock, and the maximum total number of shares underlying the subscription rights to shares shall be the total number of authorized shares of the Company on the date determined to be the record date by the Board of Directors of the Company, minus the total number of shares of common stock issued by the Company. The number of shares underlying each subscription right to shares shall be one (1) share per subscription right to shares.

3. Total Number of Subscription Rights to Shares to be Issued

The total number of subscription rights to shares to be issued shall be a number separately determined by the Board of Directors of the Company. The Board of Directors of the Company may conduct the allotment of subscription rights to shares over multiple occasions.

4. Amount of Property to be Contributed when Exercising the Subscription Rights to Shares

The amount of property to be contributed when exercising the subscription rights to shares shall be an amount determined by the Board of Directors of the Company of one (1) yen or more.

5. Transfer Restrictions on Subscription Rights to Shares

The subscription rights to shares may be transferred with the approval of the Board of Directors of the Company.

6. Exercise Conditions

Persons defined in any of the below items a) through f) may not exercise the subscription rights to shares, in principle.

a) Specified large-volume holders

- Refers to a holder of share certificates, etc. issued by the Company, with an ownership ratio of share certificates, etc. pertaining to these share certificates, etc. of 20% or more (including persons deemed to fall under this category by the Board of Directors of the Company).

b) Joint holders thereof

- Refers to a joint holder as provided for in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, and persons deemed joint holders pursuant to Paragraph 6 of the same (including persons deemed to fall under this category by the Board of Directors of the Company).

c) Specified large-volume purchasers

- Refers to a person who has made a public announcement to the effect that he or she will conduct a purchase, etc. of share certificates, etc. (as defined in Article 27-2, Paragraph 1 of the same) issued by the Company by tender offer, and whose total ownership ratio of share certificates, etc. (as defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act) pertaining to share certificates, etc. held (including equivalent cases as provided for in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act) by that person after the purchase, together with the ownership ratio of share certificates, etc. of any specially related parties of that person, will be 20% or more (including persons deemed to fall under this category by the Board of Directors of the Company).

d) Specially related parties thereof

- Refers to persons defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (including persons deemed to fall under this category by the Board of Directors of the Company).

e) Any person to whom stock acquisition rights are transferred or succeeded by a person described in any of the above items a) or d) without the approval of the Board of Directors of the Company

f) Related parties of persons described in any of the above items a) or e)

- A “related party” refers to a person that the Board of Directors of the Company has recognized as a person who effectively controls that person, is controlled by that person, or is under joint control with

that person, or a person that the Board of Directors of the Company has recognized as a person who acts in concert with that person.

7. Exercise Period, etc.

The Board of Directors of the Company shall separately determine the day the allotment of subscription rights to shares becomes effective, the exercise period of the subscription rights to shares, and other necessary matters.

8. Acquisition of the Subscription Rights to Shares by the Company

On a day separately determined by the Board of Directors of the Company, the Company may acquire all subscription rights to shares that are unexercised up to and including the day before the date of acquisition and are held by persons other than persons who may not exercise the subscription rights to shares as provided for in the above item 6., and, in exchange for the subscription rights to shares, deliver the applicable number of shares of common stock in the Company per subscription right to shares.

Additionally, in cases when, in accordance with the recommendation of the Independent Committee, the Board of Directors of the Company judges that maintaining the activation of countermeasures is not appropriate, or in other cases separately determined by the Board of Directors of the Company in the resolution pertaining to the gratis allotment of subscription rights to shares, the Company may acquire all subscription rights to shares without contribution.

9. Other

The details of other matters related to the subscription rights to shares shall be separately determined in the resolution pertaining to the gratis allotment of subscription rights to shares.

Overview of the Independent Committee

1. Members

The Independent Committee shall comprise three (3) or more members, who shall be Outside Directors, Outside Corporate Auditors, attorneys, Certified Public Accountants, Certified Public Tax Accountants, academic experts, persons familiar with investment banking operations, corporate managers with a track record of performance, etc.

The term of office of members shall be until the conclusion of the Annual General Meeting of Shareholders pertaining to the final fiscal year ending within three (3) years of the day of election.

2. Authority and Responsibilities of the Independent Committee

The Independent Committee shall have the right and the responsibility to conduct deliberations and make resolutions relating to the matters listed in each of the following items, and make recommendations to the Board of Directors of the content of those resolutions, together with the reasons thereof. Furthermore, each member of the Independent Committee is required to make decisions from the viewpoint of whether or not it will contribute to the corporate value of the Company and shareholders' common interests, and must not do so with the objective of furthering their own interests or those of the Directors of the Company.

Furthermore, if it is thought necessary to ensure appropriate judgments when each member forms their opinion, then the Independent Committee may obtain the advice of independent third-parties (including financial advisers, attorneys, Certified Public Accountants, consultants, and other experts), at the Company's expense.

- (1) Whether the large-scale purchase rules have been complied with;
- (2) Whether there is a risk that the large-scale purchase by the large-scale purchaser will significantly harm the corporate value of the Company and shareholders' common interests;
- (3) The appropriateness and details of the activation of countermeasures;
- (4) The necessity of a resolution at a General Meeting of Shareholders for the activation of countermeasures;
- (5) Appropriateness of maintaining the activation of countermeasures;
- (6) Any other matters about which the Board of Directors should make a judgment and chooses to consult the Independent Committee.

3. Criteria for Resolutions of the Independent Committee

In principle, resolutions of the Independent Committee shall be made by a majority of votes when all members of the Independent Committee are in attendance. However, if there are unavoidable circumstances, resolutions shall be made by a majority of votes when a majority of members of the Independent Committee are in attendance.

4. Names of Members and Past Experience

The four (4) candidates for members of the Independent Committee are as follows.

<Independent Committee Member Candidates>

[Candidate name] Hiroo Omura (new)

- Past experience, etc., is as stated on page 11 of Proposal 2: Election of 9 Directors.

[Candidate name] Keiji Kimura (new)

- Past experience, etc., is as stated on page 12 of Proposal 2: Election of 9 Directors.

[Candidate name] Satoru Suzuki

[Past experience]

Born June 1946

April 1992 General Manager of Saga Branch, The Yasuda Fire and Marine Insurance Co., Ltd. (now Sompo Japan Nipponkoa Insurance Inc.)

April 2000 Corporate Fellow and General Manager of Chiba Branch, The Yasuda Fire and Marine Insurance Co., Ltd.

April 2003 Corporate Fellow and General Manager of Government Housing Loan Corporate Department, The Yasuda Fire and Marine Insurance Co., Ltd.

June 2005 Standing Corporate Auditor, Denki Kogyo Company, Limited

June 2008 Outside Corporate Auditor of the Company (current position)

Outside Corporate Auditor, Matsumoto Kiyoshi Co., Ltd.

Outside Corporate Auditor, Ginza Parking Center Co., Ltd.

[Significant concurrent positions]

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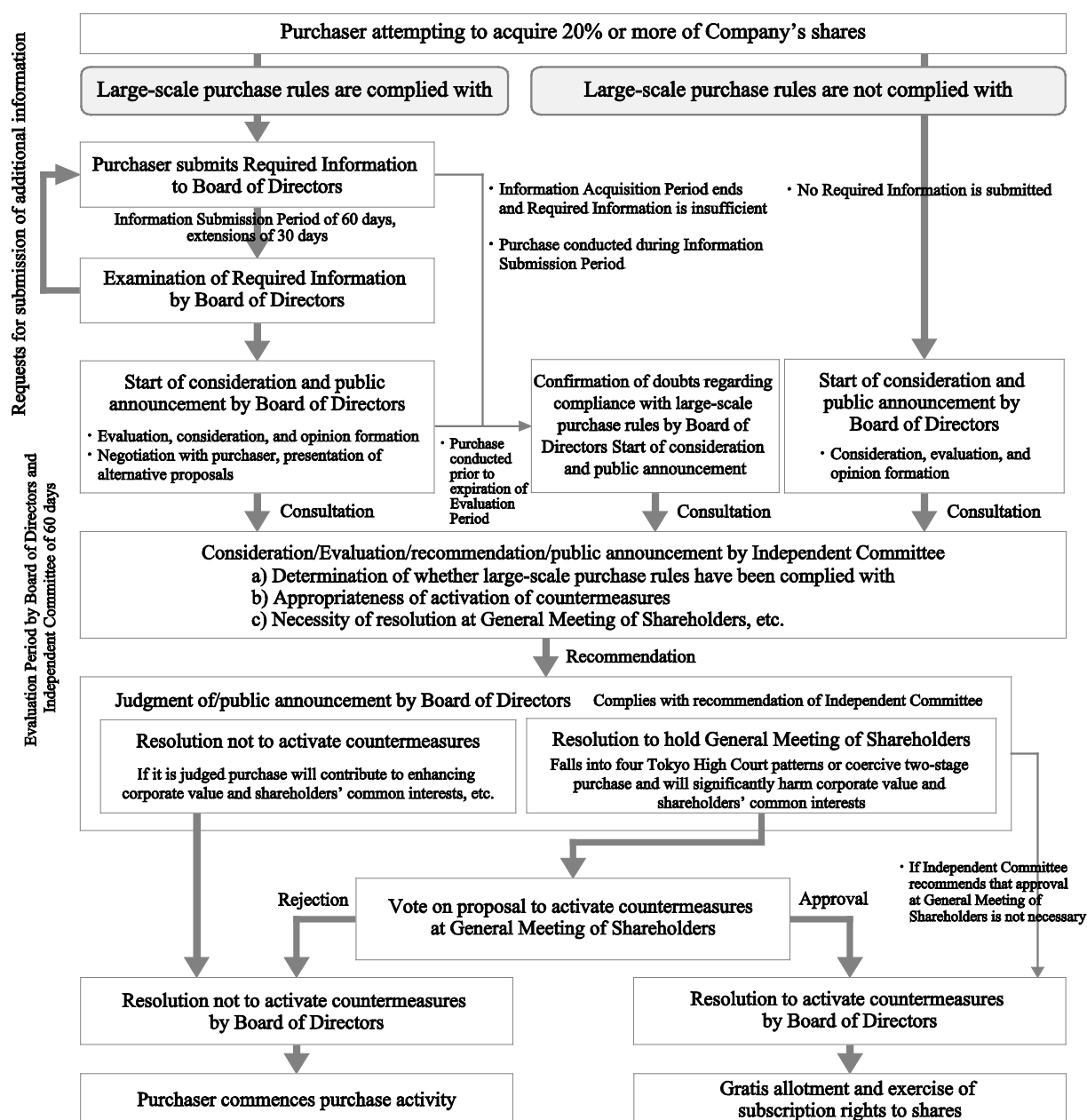
* There are no special interests between Mr. Satoru Suzuki and the Company.

* Mr. Satoru Suzuki is serving as Outside Corporate Auditor of the Company, and the Company has designated him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and has reported it thereat.

[Candidate name] Yoshiaki Senoo

- Past experience, etc., is as stated on page 13 of Proposal 3: Election of 1 Substitute Corporate Auditor.

■ Overview of this Plan



(Note) This flow chart is a graphical representation of the flow of representative procedures, to facilitate an understanding of the outline of this Plan. Please see the main text for details of its contents.