[Translation]

This document has been translated from the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.

Securities code: 9069
June 10, 2016

To our shareholders:

Yasuhisa Fukuda
Representative Director, President
SENKO Co., Ltd.
1-30, Oyodonaka 1-chome, Kita-ku, Osaka

NOTICE OF CONVOCATION OF THE 99th ANNUAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 99th Annual Meeting of Shareholders of SENKO Co., Ltd. (the "Company") on June 28, 2016, which will be held as described hereunder.
If you are unable to attend the Meeting in person, we ask you to review the attached Reference Documents for the Annual Meeting of Shareholders and exercise your voting rights by either of the following methods by 6:15 p.m., Monday, June 27, 2016 (Japan Standard Time).

[Voting by postal mail]
Please indicate your approval or disapproval of the proposals on the enclosed voting form, and return it by postal mail to reach us by the above deadline.

[Voting via the Internet]
Please access the website for exercising voting rights designated by the Company (http://www.evote.jp/), which is in Japanese only, and indicate your approval or disapproval of the proposals by the above deadline.

Meeting Details

1. Date and Time: Tuesday, June 28, 2016 at 10:00 a.m. (Japan Standard Time)

2. Venue: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka
Umeda Sky Bldg., Tower West, F3 Stella Hall

3. Purposes:

Items to be reported:

1. Reports on the Business Report, Consolidated Financial Statements for the 99th fiscal year from April 1, 2015 to March 31, 2016, and Reports of Audit on the Consolidated Financial Statements by Financial Auditor and the Board of Corporate Auditors
2. Reports on the Non-Consolidated Financial Statements for the 99th fiscal year (from April 1, 2015 to March 31, 2016)

Items to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Approval of Absorption-Type Company Split Contract
Proposal 3: Partial Amendments to the Articles of Incorporation
Proposal 4: Giving the Board of Directors the Authority to Determine the Guidelines for Subscription to Stock Acquisition Rights as Stock Compensation-Type Stock Options to Be Issued to the Executive Officers and Senior General Managers

4. Other matters concerning the Meeting:

Included in the documents to our shareholders that should be provided by the Company when providing this Notice of Convocation are the notes to consolidated financial statements (Japanese only) and the notes to non-consolidated financial statements (Japanese only). As provided for by laws and regulations and Article 16 of the Company's Articles of Incorporation, these documents are posted on the Company's website (http://www.senko.co.jp/jp/ir/stock_info/general_meeting/) and are not included as accompanying material to this document.
As a result, the accompanying material to this document includes one part of the materials that are the target of the audit by the Financial Auditor and the Corporate Auditors.

<About electronic voting platforms>
Trust banks and other nominee shareholders (including standing proxies) who have applied in advance to use the electronic voting platform operated by ICJ, Inc. (a joint-venture company established by Tokyo Stock Exchange, Inc. and others) may use this platform to electronically exercise voting rights for the Company's Annual Meeting of Shareholders.

Reference Documents for the Annual Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company aims to enhance the return of profit to its shareholders and maintains a basic policy regarding the distribution of profit to pay dividends, taking into account, in addition to stable dividends, performance-linked dividends. In addition, it is necessary to secure sufficient internal reserves for future business development and putting the Company on a firmer footing. In accordance with those views, the Company proposes to appropriate surplus for this fiscal year as follows:

1. Matters concerning year-end dividend

   In view of the Company's performance in this fiscal year, the Company proposes to pay 11 yen per share as the year-end dividend, which consists of a regular dividend of 9 yen and a commemorative dividend of 2 yen to celebrate the 70th anniversary of the Company's establishment and the 100th anniversary of the Company's founding. Combined with interim dividend of 9 yen per share, this brings the annual dividend to 20 yen per share.

   (1) Type of dividend assets
   Cash

   (2) Allocation and total amount of the dividend assets
   11 yen per share of the Company's common stock
   Total amount of dividends: 1,588,138,475 yen

   (3) Effective date of dividend payment
   June 29, 2016

2. Other matters relating to the appropriation of surplus

   (1) Item and amount of reduction in surplus:
   Retained earnings carried forward 250,000,000 yen

   (2) Item and amount of increase in surplus:
   General reserve 250,000,000 yen

Proposal 2: Approval of Absorption-Type Company Split Contract

1. Reasons for executing absorption-type company split

   The SENKO Group has hitherto operated with the Company as an operating holding company. By changing to a pure holding company structure, the SENKO Group will strive: 1) to strengthen the governance framework; 2) to clarify each operating company's responsibilities and authority; and 3) to expedite decision-making and thus aims to further strengthen the Group structure and enhance corporate value.

   (1) The new pure holding company will devise strategy and allocate resources from a medium- to long-term perspective and support the growth and expansion of the operating companies. It will also develop new businesses and handle M&A activity.

   (2) The operating companies will respond appropriately to changes in the business environment and seek growth in their own business areas.

   Toward this end, the Company proposes to obtain approval for causing SENKO Split Preparation Co., Ltd.. (the trade name of this company is scheduled to be changed to "SENKO Co., Ltd." as of April 1, 2017; hereinafter the "Successor Company"), a wholly-owned subsidiary of the Company, to succeed to the distribution business, trading & commerce business, and others business currently operated by the Company through an absorption-type company split on April 1, 2017 (planned), subject to approval of Proposal 3, "Partial Amendments to the Articles of Incorporation," and the effectuation of the absorption-type company split contract.

2. Overview of the Contents of the Absorption-Type Company Split Contract

   The overview of the contents of the absorption-type company split contract is as follows:

Absorption-Type Company Split Contract

SENKO Co., Ltd. (hereinafter, "Party A") and SENKO Split Preparation Co., Ltd.. (hereinafter "Party B") do hereby enter into this Absorption-Type Company Split Contract (hereinafter, this "Contract") as follows regarding an absorption-type company split (hereinafter, the "Company Split") whereby Party A shall cause Party B to succeed to the rights and obligations that Party A holds with respect to its distribution business, trading & commerce business, and others business (however, this shall exclude operations pertaining to the management of business activities of companies whose shares Party A holds as well as operations related to the Senko Group as a whole; hereinafter this "Business").

Article 1 (Trade names and legal addresses of the parties)

The trade names and legal addresses of Party A (the company splitting in the absorption-type company split) and Party B (the company succeeding in the absorption-type company split) under the Company Split are as follows:

Party A (the company splitting in the absorption-type company split)
Trade name: SENKO Co., Ltd.
Legal address: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka

Party B (the company succeeding in the absorption-type company split)
Trade name: SENKO Split Preparation Co., Ltd..

Legal address: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka

Article 2 (Assets, liabilities, employment contracts and other rights and obligations to be succeeded)

1. The assets, liabilities, employment contracts and other rights and obligations ("Items to Be Succeeded" hereinafter) to be succeeded by Party B from Party A through the Company Split are listed in the attached document: Itemized Statement of Rights and Obligations to Be Succeeded.
2. Notwithstanding the previous paragraph, items may be excluded from the Items to Be Succeeded upon mutual consultation between Party A and Party B if, regarding the items,: i) it is impossible to succeed to them through the Company Split due to laws and regulations, or Prefectural or Municipal Ordinances; or ii) the succession through the Company Split will cause or has the possibility to cause major damage due to contractual provisions.
3. The "cumulative assumption of obligations (*chojo-teki saimu hikiuke*)" method shall apply to all succession of obligations by Party B from Party A under the provisions in paragraph 1. Party A shall be jointly and severally responsible for any obligations arising from the Items to Be Succeeded. However, in such case, the ultimate liabilities between Party A and Party B shall be borne by Party B. When Party A has performed or otherwise incurred any charges with respect to the liabilities to be succeeded, Party A is entitled to claim reimbursement of the full amount of each such performance or charge from Party B.

Article 3 (Monetary or other consideration delivered for absorption-type company split)

Upon the Company Split, Party B shall newly issue 200 common shares of Party B for Party A and deliver all of them by allotment to Party A as consideration for the Items to Be Succeeded.

Article 4 (Amount of Party B's capital stock, etc.)

Party B shall increase the amount of its capital stock, legal capital surplus, other capital surplus, legal retained earnings and other retained earnings through the Company Split as below; provided, however, that the amounts may be changed by mutual consultation between Party A and Party B depending on the status of the assets and liabilities of this Business on the day the Company Split takes effect (the "effective date" hereinafter).

(1) Capital stock: 9,900,000,000 yen
(2) Legal capital surplus: 2,500,000,000 yen
(3) Other capital surplus: Amount obtained by subtracting the amounts of (1) and (2) above from changes in equity as defined in Article 37, paragraph 1 of the Ordinance on Accounting of Companies
(4) Legal retained earnings: 0 yen
(5) Other retained earnings 0 yen

Article 5 (Effective date)

The effective date shall be April 1, 2017; provided, however, that Party A and Party B may change such date by mutual consultation where necessary, depending on the progress of formalities or for other reasons.

Article 6 (Approval at Meetings of Shareholders)

Party A and Party B shall seek approval of this Contract and the matters necessary for the Company Split at their respective meetings of shareholders on June 28, 2016; provided, however,

that Party A and Party B may change such date by mutual consultation where necessary, depending on the progress of formalities pertaining to the Company Split or for other reasons.

Article 7 (Duty not to compete)

Even after the Company Split takes effect, Party A shall, with regard to this Business, not be subject to the duty not to compete, and may engage in the same type of business.

Article 8 (Management of company property, etc.)

From the day of the execution of this Contract until the effective date, Party A and Party B shall conduct their respective businesses and manage and operate their respective properties with the due care of a prudent manager. Any act which may have a material impact on the property and rights and obligations shall only be performed based on prior mutual consultation between Party A and Party B.

Article 9 (Modification of conditions and cancellation of this Contract)

During the period between the execution of this Contract and the effective date, Party A and Party B may modify the conditions of the Company Split or cancel this Contract upon mutual consultation between Party A and Party B in the event of any material change in the status of assets or management of Party A or Party B due to a natural disaster or other event, if the approval of relevant government agencies as stipulated in laws and regulations cannot be obtained, a major obstacle to the execution of the Company Split arises, or it becomes difficult to achieve the aims of the Company Split for other reasons.

Article 10 (Others)

Party A and Party B will, upon mutual consultation between Party A and Party B, set forth any matter provided in this Contract or any other matter that is required to effect the Company Split in accordance with the spirit of this Contract.

IN WITNESS WHEREOF, two (2) originals of this Contract are hereby executed and, upon the inscription and seal of Party A and Party B, each party shall retain one (1) original thereof.

May 13, 2016

Party A: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka
SENKO Co., Ltd.
Yasuhisa Fukuda, Representative Director, President (Seal)

Party B: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka
SENKO Split Preparation Co., Ltd..
Yasuhisa Fukuda, Representative Director, President (Seal)

(Attached document)

Itemized Statement of Rights and Obligations to Be Succeeded

Party B shall succeed to the below-listed assets, liabilities, employment contracts, other contractual status, and rights and obligations belonging to this Business of Party A from Party A through the Company Split.

Assets and liabilities included in rights and obligations to be succeeded shall be determined based on the balance sheet and other figures as of March 31, 2016, along with any additions or deductions that occur before the effective date of the Company Split.

1. Assets to Be Succeeded

The assets belonging to this Business below

(1) Current Assets

All current assets related to this Business on the effective date including cash and deposits, operating accounts receivable, prepaid expenses, and other accounts receivable; provided, however, that the assets listed in the following items shall be excluded.

1) Cash and claims to deposits including ordinary deposits, current accounts and special deposits administered by head office

2) Prepaid lease expenses related to remaining business assets of Party A following the Company Split

3) Loans to and accrued interests from Party A's associated companies (as defined under Article 2, paragraph 3, item 22 of the Ordinance on Accounting of Companies, as "associated companies," with the same definition applying hereinafter)

4) Prepaid interests

5) Current assets including prepaid expenses, suspense payments and others pertaining to persons engaged in the business (including seconded employees) remaining with Party A even after the effective date and the Company Split

6) Other current assets determined to be necessary for Party A to continue to hold as agreed by Party A and Party B

(2) Non-current Assets

All non-current assets related to this Business on the effective date including property, plant and equipment, intangible assets, investments and other assets; provided, however, that the assets listed in the following items shall be excluded.

1) Land, buildings and associated ancillary fixtures, structures, equipment, vehicles and other assets at SHIOMI SIF Bldg., 8-10, Shiomi 2-chome, Koto-ku, Tokyo, and Crefeel Koto (22-3 Hirayanagicho, Higashiomi-shi, Shiga Prefecture)

2) Fixtures, structures, equipment and other assets associated with or related to leased real estate pertaining to the business remaining with Party A even after the

Company Split

3) Investment securities

4) Vehicles, security deposits and other non-current assets, and investments and other assets pertaining to persons engaged in the business (including seconded employees) remaining with Party A even after the effective date and Company Split

5) Shares, investment units and investments in capital in the following: Senko Trading Co., Ltd., AST CORPORATION, Smile Corp., Marufuji Co., Ltd., Logi Solution Co., Ltd., Senko Information System Co., Ltd., Senko Living Plaza Co., Ltd., Tokyo Nohin Daiko Co., Ltd., Senko Fashion Logistics Co., Ltd., Esaka Logistics Service Co., Ltd., Hanshin Transport Co., Ltd., Chushikoku Logistics Co., Ltd., RUNTEC Co., Ltd., Senko Foods Co., Ltd., Crefeel Koto Co., Ltd., S-TAFF Co., Ltd., Kitahiroshima Ippan Shadan Hojin, IS Kitahiroshima Yugen Kaisha, SK Kaihatsu Ippan Shadan Hojin, SK Senboku Yugen Kaisha, SK Urawa Yugen Kaisha, SK Seishin Godo Kaisha, Senko Business Support Co., Ltd., Logi Factoring Co., Ltd., Senko Medical Logistics Co., Ltd., Senko School Farm Tottori Co., Ltd., Pretty Porters Co., Ltd., SENKO Asset Management Co., Ltd., Sankyo Butsuryu Niyaku Co., Ltd., Sankyo Logistics Co., Ltd., Ko-Ki Co., Ltd. , Senko Facilities Co., Ltd., Senko Private REIT Inc., as well as shares, investment units and investments in capital purchased by Party A on or after April 1, 2016 that Party A and Party B agree that Party A shall continue to hold

6) Loans to associated companies of Party A

7) Lease guarantees for assets related to the business remaining with Party A even after the Company Split

8) Dividends receivable related to the silent partnership stakes in special purpose companies

9) Allowance for doubtful accounts on loans to associated companies of Party A

10) Other non-current assets that Party A and Party B agree that Party A needs to continue to hold

2. Liabilities to Be Succeeded

The liabilities belonging to this Business below

(1) Current liabilities

All current liabilities related to this Business on the effective date including operating accounts payable, other accounts payable, and accrued expenses; provided, however, that the liabilities listed in the following items shall be excluded.

1) Corporate bonds due within one year, convertible notes type – notes with stock acquisition rights, loans payable, and accrued interest expenses.

2) Dividends payable, income taxes payable, accrued business office taxes, and accrued consumption taxes.

3) Liabilities and provisions pertaining to persons engaged in the business (including seconded employees) remaining with Party A even after the effective date and Company Split.

4) Other current liabilities that Party A and Party B agree that Party A needs to continue to hold.

(2) Non-current liabilities

All non-current liabilities related to this Business on the effective date including long-term lease obligations, and provision for retirement benefits; provided, however, that the liabilities listed in the following items shall be excluded.

1) Corporate bonds, convertible notes type – notes with stock acquisition rights, loans payable, and accrued interest expenses.

2) Liabilities and provisions pertaining to persons engaged in the business (including seconded employees) remaining with Party A even after the effective date and Company Split.

3) Other non-current liabilities that Party A and Party B agree that Party A needs to continue to hold.

3. Employment Contracts, etc., to Be Succeeded

(1) As of the effective date of the Company Split, the contractual status under employment contracts concerning all employees of Party A (including employees seconded to other companies, part-time and temporary employees) as well as all rights and obligations that arise out of these contracts.

(2) All labor agreements concluded between Party A and the All Senko Workers' Union that have been agreed by Party A and the All Senko Workers' Union to be succeeded by Party B.

4. Other Rights and Obligations, etc. to Be Succeeded

(1) Intellectual Property Rights

Intellectual property rights including patent rights, utility model rights, design rights, trademark rights and copyrights shall not be succeeded. Party A shall authorize Party B to use rights necessary for Party B to continue carrying on this Business following separate consultations.

(2) Contracts Other than Employment Contracts

All of the contractual status under purchasing contracts, basic transaction contracts, outsourcing contracts, service contracts, rental contracts, lease contracts, and other contracts concluded by Party A relating to this Business, and all rights and obligations that arise in the contracts above; provided, however, that this shall exclude contracts whose transfer is not permitted as it would change corporate legal status; nontransferable contracts; permits, licenses and other items requiring reacquisition for which necessary actions were not completed by the effective date of the Company Split, and other contracts that Party A and Party B agree that Party A needs to continue to hold.

(3) Permits and Licenses, etc.

Permits, licenses, approvals, registrations, notifications, and other items related to this Business that can be succeeded under the laws and regulations; provided, however, that this shall exclude items that Party A needs to continue to hold.

3. Overview of the Contents of the Items Set Forth in Items of Article 183 of the Ordinance for Enforcement of the Companies Act

(1) Matters related to the fairness of consideration

1) Number of shares delivered

Upon execution of the Company Split, the Successor Company shall newly issue 200 common shares and shall deliver the entire amount by allotment to the Company, which is the company splitting in the absorption-type company split. The Successor Company is a wholly-owned subsidiary of the Company and because all of the shares newly issued by the Successor Company in the Company Split shall be delivered to the Company, the number of shares the Successor Company will issue has been agreed upon by consultation between both companies and has been assessed to be fair.

2) Amount of increase in capital stock and legal capital surplus in the Successor Company by the Company Split.

The amount of increase of capital stock and legal capital surplus in the Successor Company by the Company Split is as below. The amount is considered fair in light of business activities following the Company Split and assets and liabilities to be succeeded from the Company. Please note that the amount of capital stock and legal capital surplus in the Successor Company is in accordance with the provisions of Article 37 of the Ordinance on Accounting of Companies, as mandated in Article 445, paragraph 5 of the Companies Act, and the amounts are determined so that they will be within the scope of changes in equity stipulated in paragraph 1 of the same Article.

Capital stock:	9,900,000 thousand yen
Legal capital surplus:	2,500,000 thousand yen

(2) Financial Statements, etc. as of the date of establishment of the company succeeding in the absorption-type company split

The Successor Company was established on April 15, 2016. As such, it has not completed the first fiscal year and does not have a previous fiscal year. The contents of the Company's balance sheet as of the date of establishment are as follows:

(Millions of yen)

Account title	Amount	Account title	Amount
Assets		**Net assets**	
Current assets		Shareholders' equity	
Cash and deposits	10	Capital stock	10
Total assets	10	Liabilities and net assets	10

(3) Events after the last day of the Company's most recent fiscal year such as the disposal of material assets, assumption of material liabilities that would have a material impact on the status of company property

No items to report.

(4) Events after the day of the establishment of the company succeeding in the absorption-

type company split such as the disposal of material assets, assumption of material liabilities that would have a material impact on the status of company property

No items to report.

Proposal 3: Partial Amendments to the Articles of Incorporation

1. Reason for proposal

   Accompanying the transition to a holding company structure, to change the Company's trade name to "SENKO Group Holdings Kabushiki Kaisha" and "SENKO Group Holdings Co., Ltd." in English, change the purpose of the company to business management as a holding company, and change the location of the head office of the Company to Koto-ku, Tokyo.

2. Details of proposed amendments

   Details of the proposed amendment are as follows:

(Underlined portions are amended)

Current articles of incorporation	Draft revised articles of incorporation
(Trade name) Article 1 The Company shall be called "SENKO KABUSHIKI KAISHA" and "SENKO Co., Ltd." in English.	(Trade name) Article 1 The Company shall be called "SENKO Group Holdings Kabushiki Kaisha" and "SENKO Group Holdings Co., Ltd." in English.
(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses:	(Purpose) Article 2 1. The purpose of the Company shall be, by owning shares or equities in companies engaged in the following businesses or in foreign companies engaged in businesses similar to the following, to manage the business activities of such companies, etc.
(1)-(36) (Omitted)	(1)-(36) (Same as the present)
(Newly established)	2. The purpose of the Company shall be to engage in the businesses listed in the items of the preceding paragraph, and any and all other businesses incidental or related thereto.
(Location of head office) Article 3 The head office of the Company shall be in Osaka-shi.	(Location of head office) Article 3 The head office of the Company shall be in Koto-ku, Tokyo.
Article 4 to Article 41 (Omitted)	Article 4 to Article 41 (Same as the present)
(Newly established)	(Supplementary provisions) Article 1 The amendments to Article 1 (Trade name), Article 2 (Purpose) and Article 3 (Location of head office) shall be effective on and from April 1, 2017.
(Newly established)	Article 2 The preceding article and this article shall be deleted as of April 1, 2017.

Proposal 4: Giving the Board of Directors the Authority to Determine the Guidelines for Subscription to Stock Acquisition Rights as Stock Compensation-Type Stock Options to Be Issued to the Executive Officers and Senior General Managers

In accordance with the provisions of Articles 236, 238 and 239 of the Companies Act, the Company requests approval for giving the Board of Directors the authority to determine the guidelines for the subscription of stock acquisition rights to be issued to the Company's Executive Officers and Senior General Managers as stock compensation-type stock options as outlined below.

1. Reasons for issuing stock acquisition rights with particularly favorable conditions

   Stock acquisition rights are issued without the requirement for cash payment, for the purpose of enhancing the willingness and the morale of the Company's Executive Officers and Senior General Managers to continuously improve the Company's business performance and increase corporate value on an intermediate basis by further strengthening the link between the Company's business performance and value of its shares, and making them share not only the benefits of higher share prices but also the risks of lower share prices with shareholders.

2. Amount of payments for the stock acquisition rights

   No cash payment is required for the stock acquisition rights.

3. Details of the stock acquisition rights

   (1) Type and number of shares subject to the stock acquisition rights

   The number of shares subject to the stock acquisition rights shall not exceed 43,000 shares of the Company's common stocks.
   If the Company conducts a share split or share consolidation, the number of shares subject to the stock acquisition rights shall be adjusted using the following formula. However, such adjustment shall be made for the number of the shares subject to the stock acquisition rights that have not been exercised at the time of such share split or share consolidation, and that any fraction less than one (1) share which may arise as a result of such adjustment shall be rounded down:

$$\text{Number of shares after adjustment} = \text{Number of shares prior to adjustment} \times \text{Ratio of share split or consolidation}$$

   In addition, in the event that it is necessary for the Company to make an adjustment to the number of shares, such as in cases where the Company carries out a merger, company split, share exchange or share transfer (collectively "a merger (etc.)"), or a gratis allotment of shares, the Company may adjust the number of shares to an extent considered reasonable after taking into account the conditions of the merger (etc.) or gratis allotment of shares.

   (2) Total number of the stock acquisition rights

   The number of the stock acquisition rights shall not exceed 43 units. (The number of shares to be issued upon exercise of one (1) stock acquisition right will be 1,000 shares, provided however, that when the number of shares prescribed in the above (1) has been

adjusted, the same adjustment shall be made.)

(3) Amount of assets to be contributed upon exercise of the stock acquisition rights

The amount to be contributed upon exercise of each stock acquisition right, which shall be in cash, shall be the amount obtained by multiplying 1 yen, which is the exercise price per one (1) share to be issued upon exercise of stock acquisition rights, by the number of shares subject to stock acquisition rights.

(4) Exercise period for stock acquisition rights

The exercise period shall be from July 2, 2016 to June 30, 2046. If the last day of the exercise period falls on a Company holiday, the last day shall be the preceding business day.

(5) Matters concerning the amount of increase in capital and capital reserve resulting from issuance of shares upon exercise of stock acquisition rights

1) The amount of increase in capital resulting from the issuance of shares upon exercise of the stock acquisition rights shall be one-half of the maximum amount of increase in capital, etc. as calculated pursuant to Article 17, paragraph 1 of the Ordinance on Accounting of Companies. Any fraction of less than 1 yen shall be rounded up to the nearest yen.

2) The amount of increase in capital reserve resulting from the issuance of shares upon exercise of stock acquisition rights shall be the maximum amount of increase in capital, etc. as provided in the above 1) less the amount of increase in capital as determined in the above 1).

(6) Conditions for exercising the stock acquisition rights

1) At the time the stock acquisition rights holder resign from any position with the Company or a subsidiary of the Company such as Director, Corporate Auditor, Executive Officer, Senior General Manager and Advisor and Executive Advisor, the stock acquisition rights can be exercised during a period beginning on the day following the day of said resignation of position to the last day of the period prescribed in the above 4) when the remaining stock acquisition rights can be exercised.

2) In the event that the stock acquisition rights holder dies, the holder's successor (only the spouse, child or any family within the first degree of consanguinity of the holder) may exercise the stock acquisition rights only during a period from the day that follows the stock acquisition rights holder's death until the date when three months lapse.

3) By the resolution of the Board of Directors, other conditions for exercising the stock acquisition rights shall be as stipulated in the stock acquisition right allotment agreement between the Company and the stock acquisition rights holder.

(7) Conditions for acquiring the stock acquisition rights

If a proposal about a merger contract in which the Company shall be an expiring party, or a share exchange contract or share transfer in which the Company shall be a wholly-owned subsidiary of another company, is approved at the Company's Annual Meeting of Shareholders, the Company shall be entitled to acquire the stock acquisition rights free of charge.

(8) Restrictions on acquiring the stock acquisition rights through transfer

The acquisition of the stock acquisition rights through transfer shall require approval by resolution of the Company's Board of Directors.

(9) Handling of the stock acquisition rights in the event that the Company conducts organizational restructuring

In the event that a contract or plan document prepared at the time of organizational restructuring stipulates that stock acquisition rights of the reorganized public company as specified below are delivered, the stock acquisition rights of the reorganized public company as specified below are issued in accordance with the ratio of the said organizational restructuring.

1) Merger (limited to cases in which the Company is to become extinct)

Public company which survives the merger or the public company incorporated as a result of the merger

2) Absorption-type company split

Public company which succeeds all or part of the rights and obligations related to the absorbed business of a company which conducts absorption-type company split

3) Incorporation-type company split

Newly established public company through the incorporation-type company split

4) Share exchange

Public company which acquires all of the issued shares of a company with which the public company exchanges shares

5) Share transfer

Public company which is established through the share transfer

(10) Rounding down of fractions through the exercise of the stock acquisition rights

Any fractions less than one (1) share included in the number of shares to be delivered to the stock acquisition rights holder shall be rounded down.

(11) Other details of the stock acquisition rights

Other details of the stock acquisition rights shall be determined, along with other items relating to the subscription, at the meeting of Board of Directors that shall be held in the future where the details of issuance of the stock acquisition rights shall be resolved.