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Securities Code 3391
July 19, 2017

To Those Shareholders with Voting Rights

Masashi Horikawa
President & Representative Director
Chief Executive Officer
TSURUHA HOLDINGS INC.
Kita 24, Higashi 20-1-21,
Higashi-ku, Sapporo-shi, Hokkaido

NOTICE OF THE 55th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to attend the 55th Ordinary General Meeting of Shareholders of the Company. The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights either by indicating your votes for or against each of the proposals on the Voting Rights Exercise Form and returning it by mail or by accessing the voting website printed on the Voting Rights Exercise Form and indicating your votes for or against each of the proposals via electromagnetic means (e.g., via the Internet). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m., Wednesday, August 9, 2017.

1. **Date and Time:** Thursday, August 10, 2017 at 10:00 a.m. (Reception starts at 9:00 a.m.)

2. **Place:** Royton Hall, Third floor, Royton Sapporo
Kita 1-Nishi 11, Chuo-ku, Sapporo-shi, Hokkaido
(Please refer to the information map at the end of this notice (translation omitted))

3. **Agenda of the Meeting:**

Matters to be reported:

1. Business Report, Consolidated Financial Statements for the 55th Fiscal Term (from May 16, 2016 to May 15, 2017) and the Audit Report of the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
2. Non-Consolidated Financial Statements for the 55th Fiscal Term (from May 16, 2016 to May 15, 2017)

Proposals to be resolved:

Proposal No. 1: Election of Eleven Directors
Proposal No. 2: Election of One Corporate Auditor
Proposal No. 3: Determination of Remuneration for Allotment of Restricted Shares to Directors and Corporate Auditors

4. Announcement on Exercise of Voting Rights

(1) Voting through a proxy

If you are unable to attend the meeting, you may exercise your voting rights through a single proxy who is a shareholder of the Company with voting rights provided that such proxy will be required to submit a power of attorney.

(2) Voting by Mail

Please indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form and return the form by 6:00 p.m., Wednesday, August 9, 2017.

(3) Voting via the Internet

If you exercise your voting rights via the Internet, please refer to the <Guide for Exercise of Voting Rights via the Internet (translation omitted)> and access http://www.evote.jp/. Please exercise your voting rights by 6:00 p.m. on Wednesday, August 9, 2017, following the instructions on the screen.

5. Method of Notice of Amendments

If there are amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, such amendments will be announced on our Internet website (http://www.tsuruha-hd.co.jp/).

- For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting. Please note that reception desks are very crowded around the opening time of the meeting. Early arrival will be appreciated.
- Please bring this NOTICE for saving resources.
- Please note that persons who are not shareholders with voting rights, including agents and accompanying persons, are not allowed to enter into the meeting (except for persons accompanying disabled shareholders).

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Election of Eleven Directors

The terms of office of all eleven Directors will expire at the end of the meeting. Accordingly, election of eleven Directors is proposed.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
1	Tatsuru Tsuruha (February 11, 1942)	June 1976 Joined TSURUHA CO., LTD. July 1978 Director of TSURUHA CO., LTD. August 1994 Senior Managing Director of TSURUHA CO., LTD. August 1996 Senior Managing Director & Representative Director of TSURUHA CO., LTD. August 1997 President & Representative Director of TSURUHA CO., LTD. August 2003 Director of the Company August 2004 Director of KUSURI NO AOKI CO., LTD. August 2005 President & Representative Director of the Company January 2007 Director of kusurino FUKUTARO CO., LTD. (current position) August 2008 President & Chief Executive Officer of the Company President & Chief Executive Officer of TSURUHA CO., LTD. December 2013 Director of Hearty Wants Co., Ltd. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) August 2014 Chairman & Representative Director of the Company (current position) Chairman & Representative Director of TSURUHA CO., LTD. (current position) November 2016 Director of KUSURI NO AOKI HOLDINGS CO., LTD. (current position) (Significant concurrent positions) Chairman & Representative Director of TSURUHA CO., LTD. Director of KUSURI NO AOKI HOLDINGS CO., LTD. (Reasons for nomination as a candidate for Director) During his term as President & Representative Director of the Company, Mr. Tatsuru Tsuruha had demonstrated his administrative capabilities through his strong leadership and decisiveness, and built the structure of the Group and the foundations for expanding the Group's operations. Currently, he provides guidance concerning the overall management of the Group as Chairman & Representative Director. After being elected, he will continue to perform his duties as Chairman & Representative Director to enhance the corporate value of the Group.	1,407,640

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
2	Masashi Horikawa (September 9, 1958)	March 1977 Joined TSURUHA CO., LTD. August 1997 Director of TSURUHA CO., LTD. August 2004 Managing Director of TSURUHA CO., LTD. August 2005 Managing Director of the Company August 2008 Director of the Company Senior Managing Executive Officer of the Company responsible for Group Store Development Director of TSURUHA CO., LTD. (current position) Senior Managing Executive Officer of TSURUHA CO., LTD. August 2009 Director of WELLNESSKOHOKU INC. December 2013 Director of Hearty Wants Co., Ltd. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) (current position) August 2014 President & Representative Director of the Company (current position) President & Chief Executive Officer of the Company (current position) February 2015 Director of kusurino FUKUTARO CO., LTD. (current position) November 2015 Director of Lady Drug Store Co., Ltd. (current position) May 2017 Director of TSURUHA GROUP MERCHANDISING CO.,LTD (current position) (Significant concurrent position) Director of TSURUHA CO., LTD. (Reasons for nomination as a candidate for Director) Since he took office as President & Representative Director of the Company in August 2014, Mr. Masashi Horikawa has been serving a key role in expanding operations and building the governance structure of the Group. He carries out resolutions of the Board of Directors, and controls the operations of the entire Group through his strong leadership and accurate judgment. After being elected, he will continue to perform his duties as President & Representative Director, aiming to realize the Group's medium-term goals of 2,000 stores nationwide and net sales of ¥700 billion by enhancing management efficiency and promoting various measures.	64,104

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
3	Jun Tsuruha (May 21, 1974)	April 1998 Joined TSURUHA CO., LTD. May 2011 Director and Executive Officer of TSURUHA CO., LTD. General Manager of Hokkaido Store Operation of TSURUHA CO., LTD. Executive Officer of the Company August 2011 Director of Wing Co., Ltd. December 2011 Director of TSURUHA (Thailand) Co., Ltd. (current position) August 2014 Director and Senior Managing Executive Officer of the Company responsible for Group Store Operation (current position) President & Representative Director of TSURUHA CO., LTD. (current position) President & Chief Executive Officer of TSURUHA CO., LTD. (current position) May 2017 Director of TSURUHA GROUP MERCHANDISING CO.,LTD (current position) (Significant concurrent position) President & Representative Director and President & Chief Executive Officer of TSURUHA CO., LTD. (Reasons for nomination as a candidate for Director) As Director and Senior Managing Executive Officer of the Company and President & Representative Director of TSURUHA CO., LTD., which boasts the largest size of earnings in the Group, Mr. Jun Tsuruha is a part of the managerial decision-making process of the Company. His leadership and ability to take action, which he had cultivated through field experience at stores, has greatly contributed to the development and expansion of the Group. We have judged that his leadership will greatly contribute to the further growth of the Group and strengthening our competitiveness, thus propose his election as Director.	117,400

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
4	Teruaki Goto (September 19, 1955)	April 1979 Joined TSURUHA CO., LTD. August 1996 Director of TSURUHA CO., LTD. June 2002 General Manager of Pharmacy Operation Headquarters of TSURUHA CO., LTD. (current position) August 2004 Managing Director of TSURUHA CO., LTD. August 2005 Managing Director of the Company August 2008 Director of the Company (current position) Managing Executive Officer of the Company responsible for Group Drugstores Operation Director of TSURUHA CO., LTD. (current position) Managing Executive Officer of TSURUHA CO., LTD. (current position) June 2013 Director of WELLNESSKOHOKU INC. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) (current position) August 2014 Managing Executive Officer of the Company responsible for Group Pharmacy Operation (current position) January 2017 Managing Executive Officer of the Company responsible for Group Pharmacy Operation and General Manager of Pharmacy Store Development Division of the Company (current position) (Significant concurrent position) Director & Managing Executive Officer of TSURUHA CO., LTD. (Reasons for nomination as a candidate for Director) As Director and Managing Executive Officer of the Company responsible for Group Pharmacy Operation, Mr. Teruaki Goto has greatly contributed to the improvement of operational efficiency of the pharmacy division and the improvement of quality of pharmacists working at pharmacies, based on his excellent knowledge and experience. After being elected, he will continue to perform his duties as chief executive of the pharmacy division.	54,400

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
5	Mitsunobu Abe (May 19, 1954)	March 2004 Adviser of TSURUHA CO., LTD. August 2004 Managing Director of TSURUHA CO., LTD. August 2005 Managing Director of the Company August 2008 Managing Executive Officer of the Company (current position) Director of TSURUHA CO., LTD. (current position) December 2010 Responsible for Group Overseas Business (current position) December 2011 President & Representative Director of TSURUHA (Thailand) Co., Ltd. (current position) May 2015 President & Representative Director of kusurino FUKUTARO CO., LTD. August 2015 Director of the Company (current position) May 2016 Vice Chairman & Representative Director of kusurino FUKUTARO CO., LTD. (current position) (Significant concurrent positions) Director of TSURUHA CO., LTD. President & Representative Director of TSURUHA (Thailand) Co., Ltd. Vice Chairman & Representative Director of kusurino FUKUTARO CO., LTD. (Reasons for nomination as a candidate for Director) As Director, responsible for Overseas Business Headquarters of the Company, and President & Representative Director of a subsidiary, kusurino FUKUTARO CO., LTD., Mr. Mitsunobu Abe has contributed to the expansion of the Group's operations. After being elected, he will continue to perform his duties, with particular focus on strengthening competitiveness and the structure of the Overseas Business Headquarters.	12,000

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
6	Keisuke Kijima (January 10, 1955)	April 1995 Joined Hearty Wants Co., Ltd. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) October 1995 Director of Hearty Wants Co., Ltd. June 2005 Managing Director of Hearty Wants Co., Ltd. November 2009 President & Director and President & Chief Executive Officer of Hearty Wants Co., Ltd. December 2013 President & Representative Director and President & Chief Executive Officer of Hearty Wants Co., Ltd. Executive Officer of the Company August 2015 Director of the Company (current position) Chairman & Representative Director of Tsuruha Group Drug & Pharmacy Nishinihon Inc. (current position) August 2016 Vice President & Director of TSURUHA GROUP MERCHANDISING CO.,LTD (current position) Executive Officer of the Company responsible for Development of Private-brand Products (current position) (Significant concurrent position) Chairman & Representative Director of Tsuruha Group Drug & Pharmacy Nishinihon Inc. Vice President & Director of TSURUHA GROUP MERCHANDISING CO.,LTD (Reasons for nomination as a candidate for Director) As Chairman & Representative Director of a subsidiary of the Company, Tsuruha Group Drug & Pharmacy Nishinihon Inc. and Vice President & Director of a subsidiary of the Company, TSURUHA GROUP MERCHANDISING CO., LTD, Mr. Keisuke Kijima has contributed to the enhancement of the corporate value of the Group based on his deep insight and experience in the drugstore industry. After being elected, he will continue to perform his duties as Director responsible for the development of private-brand products of the Group.	-

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
7	Masahiro Ofune (October 10, 1952)	November 1993 Joined TSURUHA CO., LTD. August 2005 Director of TSURUHA CO., LTD. (current position) August 2005 Director of the Company (current position) Chief Administrative Officer, General Manager of General Affairs Division, and General Manager of Accounting Division of the Company January 2007 Corporate Auditor of kusurino FUKUTARO CO., Ltd. (current position) August 2008 Managing Executive Officer responsible for Administrative Headquarters, Chief Administrative Officer and General Manager of Accounting Division of the Company December 2008 President & Representative Director of Tsuruha Financial Service Inc. (current position) March 2009 Managing Executive Officer responsible for Administrative Headquarters, Chief Administrative Officer of the Company (current position) Corporate Auditor of WELLNESSKOHOKU INC. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) December 2013 Corporate Auditor of Hearty Wants Co., Ltd. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) (current position) November 2015 Corporate Auditor of Lady Drug Store Co., Ltd (current position) (Significant concurrent positions) Director of TSURUHA CO., LTD. President & Representative Director of Tsuruha Financial Service Inc. (Reasons for nomination as a candidate for Director) Mr. Masahiro Ofune has provided guidance and advice to various sectors concerning the management of the Group based on his extensive knowledge and abundant experience as Director responsible for Administrative Headquarters of the Group. After being elected, he will continue to perform his duties as Director, providing guidance and advice concerning managerial matters in general.	6,400

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
8	Shinya Mitsuhashi (June 8, 1959)	April 1989 Joined Lady Drug Store Co., Ltd., and serviced as Director March 1999 President & Representative Director of Lady Drug Store Co., Ltd. July 2007 President & Representative Director and General Manager of Sales Headquarters of Lady Drug Store Co., Ltd. June 2008 President & Representative Director of Lady Drug Store Co., Ltd. (current position) August 2016 Director of the Company (current position) Executive Officer of the Company responsible for Lady Drug Store Co., Ltd (current position) (Significant concurrent position) President & Representative Director of Lady Drug Store Co., Ltd. (Reasons for nomination as a candidate for Director) As President & Representative Director of Lady Drug Store Co., Ltd., a subsidiary of the Company, Mr. Shinya Mitsuhashi has been expanding business of the subsidiary steadily with his abundant experience and knowledge in drug store management. After being elected, he will continue to perform his duties to enhance the corporate value of the Company as Director.	5,000
9	Keisei Aoki (February 13, 1942)	March 1972 Joined Aoki Nikaido Yakkyoku June 1976 Established Aoki Nikaido Yakkyoku, Ltd., and served as Director November 1981 Representative Director of Aoki Nikaido Yakkyoku, Ltd. January 1985 Established KUSURI NO AOKI CO., LTD. and served as Representative Director August 2000 Director of TSURUHA CO., LTD. August 2003 Chairman & Representative Director of KUSURI NO AOKI CO., LTD. November 2005 Director of the Company (current position) August 2010 Chairman & Director of KUSURI NO AOKI CO., LTD. June 2015 Chairman of Japan Association of Chain Drug Stores (current position) November 2016 Chairman & Director of KUSURI NO AOKI HOLDINGS CO., LTD. (current position) (Significant concurrent positions) Chairman & Director of KUSURI NO AOKI HOLDINGS CO., LTD. Chairman of Japan Association of Chain Drug Stores (Reasons for nomination as a candidate for Outside Director) As Chairman & Director of KUSURI NO AOKI CO., LTD. and Chairman of the Japan Association of Chain Drug Stores, Mr. Keisei Aoki has wealth of experience and knowledge and has been providing accurate advice on management of the Company. We have judged that he will continue to contribute to the improvement of corporate value of the Company as an Outside Director, and thus propose his election as Outside Director.	14,000

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
10	Motoya Okada (June 17, 1951)	March 1979 Joined JUSCO Co., Ltd. (current AEON CO., LTD.) May 1990 Director of JUSCO Co., Ltd. February 1992 Managing Director of JUSCO Co., Ltd. May 1995 Senior Managing Director of JUSCO Co., Ltd. June 1997 President of JUSCO Co., Ltd. May 2003 President of AEON CO., LTD. November 2005 Director & Advisor of the Company (current position) March 2012 President of AEON CO., LTD. Group CEO (current position) August 2014 Director of KUSURI NO AOKI CO., LTD. November 2014 Director of WELCIA HOLDINGS Co., Ltd. (current position) November 2016 Director of KUSURI NO AOKI HOLDINGS CO., LTD. (current position) (Significant concurrent position) President of AEON CO., LTD. Group CEO (Reasons for nomination as a candidate for Outside Director) Mr. Motoya Okada has been making high-level managerial decisions as President of AEON CO., LTD. Group CEO, and he has also made extremely useful remarks at the Board of Directors of the Company as well. We have judged that after being elected, he will continue to provide helpful guidance on the overall management of the Company as Director & Advisor, and thus propose his election as Outside Director.	4,000
11	Eiji Yamada (January 20, 1956)	April 1978 Joined Nikko Securities Co., Ltd. February 2007 Executive Managing Director of Nikko Securities Co., Ltd. March 2010 Senior Executive Officer of Nikko Securities Co., Ltd. April 2011 Senior Executive Officer of SMBC Nikko Securities Inc. April 2014 President & Representative Director of Nikko Research Center, Inc. March 2016 Retired from Nikko Research Center, Inc. August 2016 Director of the Company (current position) (Reasons for nomination as a candidate for Outside Director) With abundant experience and track record accumulated as an officer in a securities company, Mr. Eiji Yamada has contributed to decision making on important managerial matters and supervision of business execution of the Company by making the most of his expertise in the fields of finance and securities. We propose his election as Outside Director to continue to seek his advice and guidance.	-

Notes: 1. Mr. Motoya Okada, a candidate, is President of AEON CO., LTD., Group CEO which is the Company's largest shareholder. In addition, the Company has business transactions such as leases with AEON CO., LTD. since the Company is one of the tenants of shopping malls managed by AEON Group. However, such amount is 1.8% of operating costs of the Company. The Company also purchases goods from AEON Group. However, such amount is around 0.3% of total purchases of the Company. Therefore, it is considered that independence is secured as Outside Director of the Company.
Mr. Keisei Aoki, a candidate, is Chairman & Director of KUSURI NO AOKI HOLDINGS CO., LTD., and no conflict of interest exists between the Company and the candidate.
No conflict of interest exists between the Company and the other candidates for Directors.

2. Mr. Motoya Okada, Mr. Keisei Aoki and Mr. Eiji Yamada are the candidates for Outside Directors. In addition, the Company registered Mr. Keisei Aoki with Tokyo Stock Exchange, Inc. as Independent Director as set forth in the regulation of the stock exchange.
3. Mr. Motoya Okada, Mr. Keisei Aoki and Mr. Eiji Yamada are currently Outside Directors of the Company. Mr. Motoya Okada and Mr. Keisei Aoki will be in office for eleven years and nine months, and Mr. Eiji Yamada will be in office for one year at the end of the meeting.
4. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into a contract with Mr. Motoya Okada, Mr. Keisei Aoki and Mr. Eiji Yamada, respectively, to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. If their reappointments are approved at the meeting, these contracts for limitation of liabilities are planned to be continued.

Proposal No. 2: Election of One Corporate Auditor

The term of office of Mr. Katsuhisa Doi, Corporate Auditor, will expire at the end of the meeting. Accordingly, election of one Corporate Auditor is proposed. The Board of Corporate Auditors has given its consent to this proposal.

The candidates for Directors are as follows:

Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
Katsuhisa Doi (December 10, 1945)	April 2003 Member of Lifestyle Guidance and Research Committee, Association of Private Universities of Japan March 2004 Registered as attorney, Member of Sapporo Bar Association (current position) August 2013 Corporate Auditor of TSURUHA HOLDINGS INC. (current position) August 2014 Corporate Auditor of TSURUHA CO., LTD. (current position) (Significant concurrent positions) Corporate Auditor of TSURUHA CO., LTD. (Reasons for nomination as a candidate for Outside Corporate Auditor) Mr. Katsuhisa Doi has provided useful opinion and advice to the management of the Company from a professional viewpoint based on his abundant knowledge and experience cultivated as a professor and an attorney. After being elected, he will continue to supervise business execution of the Company as Outside Auditor.	-

Notes: 1. No conflict of interest exists between the Company and Mr. Katsuhisa Doi, the candidate.
2. Mr. Doi is the candidate for Outside Corporate Auditor.
3. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into a contract with Mr. Katsuhisa Doi to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement will be the amount stipulated by laws and regulations. Should Mr. Katsuhisa Doi take office as Outside Corporate Auditor, the Company plans to continue a similar agreement.
4. Should the Proposal No. 2 be approved, the number of Outside Corporate Auditors of the Company will be three, Mr. Jun Sakai, Mr. Katsuhisa Doi and Mr. Fumiyo Fujii.

Proposal No. 3: Determination of Remuneration for Allotment of Restricted Shares to Directors and Corporate Auditors

Remuneration, etc. for Directors and Corporate Auditors of the Company consists of (i) fixed monetary remuneration approved at the 43rd Ordinary General Meeting of Shareholders held on August 11, 2005 (500 million yen or less per year for Directors (excluding employee salaries for Directors who concurrently serve as employees) and 60 million yen or less per year for Corporate Auditors) and (ii) remuneration, etc., related to stock acquisition rights as stock options approved at the 46th Ordinary General Meeting of Shareholders held on August 12, 2008 (apart from the fixed monetary remuneration described above, the so-called "stock compensation-type stock options" at an exercise price of one yen per share set at 30 million yen or less per year for Directors (of which 10 million yen or less for Outside Directors) and 20 million yen or less per year for Corporate Auditors).

In addition to the stock acquisition rights as stock compensation-type stock options described above, the Company proposes to allot common shares of the Company subject to a certain period during which the transfer of the shares is restricted, and gratis acquisition by the Company (hereinafter referred to as "Restricted Shares") to Directors and Corporate Auditors as follows, in order to provide an incentive for the Company's Directors and Corporate Auditors to achieve sustained enhancement of the corporate value of the Company and to further share the value with our shareholders.

In this regard, the Company proposes that the total amount of monetary remuneration claims payable as remuneration, etc. concerning Restricted Shares be set at 100 million yen or less per year for Directors (of which 30 million yen or less for Outside Directors) and 50 million yen or less per year for Corporate Auditors, comprehensively taking into account various matters including the degree of contribution of Directors and Corporate Auditors at the Company, separately from the above-mentioned amount of fixed monetary remuneration and the amount of remuneration, etc., related to stock acquisition rights as stock compensation-type stock options.

The Company has determined allotment of Restricted Shares by comprehensively taking into account various matters including the degree of contribution of Directors and Corporate Auditors at the Company, and believes that the content is appropriate.

The current number of Directors is eleven (including three Outside Directors) and the current number of Corporate Auditors is five. Even after the Proposal No. 1 is approved, the number of Directors and Corporate Auditors remain unchanged.

Specific content and upper limit of the number of Restricted Shares for Directors and Corporate Auditors of the Company

1. Allotment and payment of Restricted Shares

The Company pays monetary remuneration claims to its Directors and Corporate Auditors (hereinafter referred to as "eligible officers") as remuneration related to Restricted Shares within the above amount per year in accordance with the resolution of the Board of Directors and consultation with Corporate Auditors, and each eligible officer receives allotment of Restricted Shares through provision of all the monetary remuneration claims by means of investment in kind.

The amount to be paid for Restricted Shares is determined at the Board of Directors of the Company based on the closing price of common shares of the Company at the Tokyo Stock Exchange on the business day before the day of its Board of Directors' resolution concerning the allotment (if no trading is reported on the day, the closing price on the most recent trading day prior to the day), to the extent that the amount is not particularly favorable to the eligible officers who accept the Restricted Shares.

The above monetary remuneration claims are provided, subject to the consent to the investment in kind and the conclusion of the Restricted Share Allotment Agreement, which includes details set forth in 3. below, by the eligible officers.

2. Total number of Restricted Shares

The total number of Restricted Shares to be allotted to Directors of 10,000 shares and the total number of Restricted Shares to be allotted to Corporate Auditors of 5,000 shares shall be the upper limit of the number of Restricted Shares allotted in each fiscal year.

However, after the date of resolution for this Proposal, in the case of stock split of the Company's common shares (including gratis allotment of common shares of the Company) or stock consolidation, or in other equivalent cases where adjustment of the total number of Restricted Shares is required, the total number of the Restricted Shares may be adjusted reasonably.

3. Content of Restricted Share Allotment Agreement

The Restricted Share Allotment Agreement that is entered into between the Company and an eligible officer who receives allotment of Restricted Shares upon allotment of Restricted Shares in accordance with the resolution of the Company's Board of Directors shall include the following:

(1) Content of restriction on transfer of shares

An eligible officer who received the allotment of Restricted Shares cannot transfer, establish a pledge or a security interest, gift inter vivos, bequest to a third party or take any other acts to dispose the Restricted Shares for a period stipulated by the Company's Board of Directors within the range of 20 to 30 years (hereinafter referred to as "Restricted Period").

(2) Gratis acquisition of Restricted Shares

If an eligible officer who received the allotment of Restricted Shares retires from all the positions of a Director, a Corporate Auditor and/or an employee of the Company and subsidiaries of the Company by the day before the date of the Ordinary General Meeting of Shareholders of the Company held immediately after the start date of the Restricted Period, the Company shall acquire the Restricted Shares allotted to the eligible officer (hereinafter referred to as "Allotted Shares") rightfully without consideration, except in the case that there is any reason that the Company's Board of Directors deems reasonable.

Of the Allotted Shares, if there are shares for which the restriction on transfer has not been lifted in accordance with the provision to lift the restrictions on transfer set forth in (3) below at the time when the Restricted Period set forth in (1) above expires, the Company acquires those shares rightfully without compensation.

(3) Lift of restrictions on transfer

The Company shall lift the restrictions on transfer for all the Allotted Shares at the time when the Restricted Period expires on the condition that the eligible officer who received allotment of Restricted Shares continued to hold either position of a Director, a Corporate Auditor or an employee of the Company and subsidiaries of the Company until the day before the date of the Ordinary General Meeting of Shareholders of the Company held immediately after the start date of the Restricted Period.

However, if the eligible officer retires from all the positions of a Director, a Corporate Auditor and/or an employee of the Company and subsidiaries of the Company before the Restricted Period expires for any reason that the Company's Board of Directors deems reasonable, the number of the Allotted Shares for which the restriction on transfer is lifted and the timing of the lift of restrictions on transfer shall be adjusted reasonably as necessary.

(4) Treatment in organizational restructuring

In the case where a proposal for a merger with the Company as the defunct company, share exchange or plan for share transfer through which the Company becomes a wholly-owned subsidiary of another, or other organizational restructuring, etc. is approved at the General Meeting of Shareholders of the Company (in the case where approval of the General Meeting of Shareholders of the Company is not required for the organizational restructuring, etc., the Company's Board of Directors) during the Restricted Period, restrictions on transfer is lifted by the resolution of the Company's Board of Directors prior to the effective date of the organizational restructuring, etc. for the Allotted Shares in the number reasonably set forth in light of the period from the start date of the Restricted Period to the day of approval for the organizational restructuring, etc.

In this case, at some point immediately after restrictions on transfer were lifted in accordance with the above provision, the Company acquires any Allotted Shares for which the restriction on transfer has not yet been lifted rightfully without consideration.

(For reference)

After the conclusion of this General Meeting of Shareholders, the Company will allot restricted shares similar to the above Restricted Shares to directors of subsidiaries of the Company.

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