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Securities identification code: 7823
June 2, 2017

To our shareholders:

Yoshikata Igarashi
Chairman and President
ARTNATURE INC.
3-40-7 Yoyogi, Shibuya-ku, Tokyo

NOTICE OF THE 50TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 50th Ordinary General Meeting of Shareholders of ARTNATURE INC. (the "Company"), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by either of the following methods. Please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it to reach us no later than 6:30 p.m. on Wednesday, June 21, 2017 (Japan Standard Time).

<Vote 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 no later than the above deadline.

<Vote via the Internet>

Access the voting site designated by the Company (http://www.it-soukai.com), enter "the voting rights exercise code" and "the password" indicated on the enclosed voting form, and input your approval or disapproval of the proposals in accordance with the on-screen instructions. Please input and send your voting information no later than the above deadline.

When exercising voting rights via the Internet, please read through the "Guide to Exercising Voting Rights via the Internet" (Japanese only).

In the event that you vote redundantly by mail and via the Internet, we will consider only the vote via the Internet to be valid.

1. Date and Time: Thursday, June 22, 2017, at 10:00 a.m. (Japan Standard Time)

2. Venue: The Ballroom on the Level 39
Park Hyatt Tokyo, Shinjuku Park Tower

3-7-1 Nishi Shinjuku, Shinjuku-Ku, Tokyo

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 50th Term (from April 1, 2016 to March 31, 2017), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
2. Non-Consolidated Financial Statements for the 50th Term (from April 1, 2016 to March 31, 2017)

Items to be resolved:

Proposal 1:	Appropriation of surplus
Proposal 2:	Final payment of retirement benefits to Directors and Auditors upon abolition of retirement benefits for Officers
Proposal 3:	Determination of the amount of remuneration, etc. concerning stock compensation-type stock options for Directors

4. Other Items Decided by the Board of Directors as Notice of the Meeting

(1) Exercising voting rights by proxy

If exercising voting rights by proxy, another shareholder of the Company with voting rights can attend the meeting as your proxy. However, please note that the voting form and a document testifying to their authority to act as proxy must be submitted, together with the registered seal certificate for the signature or seal on a document testifying to their authority to act as proxy, a copy of passport, driver's license or health insurance certificate, or other document verifying the identity of the shareholder.

(2) Notification method when exercising voting rights diversely

If you plan to exercise your voting rights in a non-uniform way, please inform the Company of this intention with the reason in writing at least three (3) days prior to the date of the general meeting of shareholders.

(3) Exercising voting rights redundantly

1) In the event that you vote redundantly, by mail and via the Internet, we will consider only the vote via the Internet to be valid.

2) If you vote redundantly via the Internet, we will consider the final vote to be valid.

If you will be attending the meeting in person, please submit the enclosed voting form to reception staff at the venue.

Also, after the conclusion of this general meeting of shareholders, an informal discussion meeting will be held at the same venue, at which your attendance would be most welcome.

Moreover, in accordance with applicable laws and regulations and the provisions of Article 15 of the Company's Articles of Incorporation, the following items from the documents that should be provided will be made available on the Company's website (URL: http://www.artnature.co.jp) and are not therefore among the documents provided with this notice of Ordinary General Meeting of Shareholders.

・Notes to Consolidated Financial Statements

・Notes to Non-Consolidated Financial Statements

In the event of revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, or Consolidated Financial Statements, the revised items will be posted on the Company's website (URL: http://www.artnature.co.jp)(Japanese only).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of surplus

The Company proposes appropriation of surplus as follows:

1. Matters related to year-end dividends

   The Company believes that returning profits to shareholders is one of its most important management issues. Our basic policy is to provide stable dividends to shareholders while strengthening our business foundation and financial structure and augmenting internal reserves for future business expansion.

   Regarding the year-end dividends for the 50th Term, in accordance with the above policy, after comprehensively taking into account factors including the operating results for the current fiscal year, the Company proposes to pay an ordinary dividend of ¥14 and also a commemorative divided of ¥2 (commemorating the 50th anniversary) as follows:

   (1) Type of dividend property

   Cash

   (2) Allocation of dividend property and total amount thereof

   ¥16 per common share of the Company

   Total amount of dividends: ¥534,679,392

   (3) Effective date of distribution of dividends of surplus

   June 23, 2017

2. Matters related to other appropriation of surplus

   Not applicable.

Proposal 2: Final payment of retirement benefits to Directors and Auditors upon abolition of retirement benefits for Officers

As part of the Company's review of the Officer remuneration system, it was resolved at a meeting of the Board of Directors held on March 15, 2017, that the retirement benefits for Officers would be abolished as of the conclusion of this shareholders meeting.

Consequently, it is proposed that, with regard to their service up to the conclusion of this shareholders meeting, a final retirement benefits, including an additional special payment, be paid in accordance with standards prescribed by the Company to the nine (9) Directors and three (3) Auditors who remain in their posts, in order to reward their service up to the conclusion of this shareholders meeting.

In addition, it is proposed that the payments be made after the resignation of the respective Directors and Auditors, but that the determination of the specific amounts, timing and methods, etc., be left to the discretion of the Board of Directors in the case of Directors, and to the Board of Auditors in the case of Auditors.

The career summaries of the Directors and Auditors who are eligible for final payments are as follows:

Name	Career summary	
Yoshikata Igarashi	Apr. 2000	President of the Company
	July 2007	Chairman and President of the Company (present position)
Hisakazu Moriyasu	June 2009	Director of the Company
	Apr. 2012	Managing Director of the Company (present position)
Keisuke Igarashi	June 2008	Director of the Company
	Apr. 2012	Managing Director of the Company (present position)
Isao Naito	June 2012	Director of the Company
	Apr. 2016	Managing Director of the Company (present position)
Hisayuki Kawazoe	June 2009	Director of the Company (present position)
Keisuke Satake	June 2012	Director of the Company (present position)
Takashi Kawata	June 2016	Director of the Company (present position)
Jiro Nagao	June 2014	Outside Director of the Company (present position)
Yasuko Kobashikawa	June 2015	Outside Director of the Company (present position)
Yoshio Kobayashi	Aug. 1987	Director of the Company
	June 2004	Standing Auditor of the Company (present position)
Makoto Sano	June 2001	Auditor of the Company (present position)
Yasuaki Hasegawa	June 2003	Auditor of the Company (present position)

Proposal 3: Determination of the amount of remuneration, etc. concerning stock compensation-type stock options for Directors

The remuneration of the Directors of the Company was approved at ¥700 million or less annually at the 45th Ordinary General Meeting of Shareholders held on June 21, 2012. However, in order to share with shareholders the risks and rewards of fluctuations in the share price, and with the aim of raising the motivation to contribute to the sustainable growth of the Group and to improvements in corporate value, approval is requested for the establishment of a framework separate to the value of the above-mentioned remuneration, etc., to enable the allotment to Directors (excluding Outside Directors) of stock acquisition rights for stock compensation-type stock options, of ¥100 million or less annually.

With regard to the granting of stock compensation-type stock options, Directors who are allotted stock acquisition rights will be granted remuneration of an equivalent value to the monies they have paid in, such that the payment amount for the remuneration rights and the stock acquisition rights offset each other, resulting in the Directors obtaining stock acquisition rights. The value of remuneration stock options, etc., shall be the fair value of one (1) stock acquisition rights, as calculated on the day of the allotment of stock acquisition rights, multiplied by the total number of new share subscription rates allocated.

At present, the Company has 9 Directors (including two Outside Directors).

Details of stock acquisition rights as stock compensation-type stock options for Directors (excluding Outside Directors) of the Company

(1) Type and number of shares to be issued upon exercise of stock acquisition rights

The shares to be issued for the stock acquisition rights shall be common share of the Company, and the number of shares subject to one stock acquisition right (hereinafter "Number of Shares Granted") shall be 100 shares.

However after the date of resolution made by the General Meeting of Shareholders, if the Company conducts a share split (including the allotment of common share of the Company to shareholders without consideration; the same applies hereinafter) or consolidates its shares, the Number of Shares Granted for the stock acquisition rights that have not been exercised at the time of the share split or consolidation will be adjusted in accordance with the following calculation.

$$\text{Number of Shares Granted after adjustment} = \text{Number of Shares Granted before adjustment} \times \text{Ratio of split (or consolidation)}$$

In addition, upon the occurrence of any unavoidable event that requires the adjustment to the Number of Shares Granted, the Company may adjust the Number of Shares Granted as deemed necessary by the Company's Board of Directors.

Fractions of less than 1 share resulting from the above adjustment shall be rounded down.

(2) Total number of stock acquisition rights

The number of stock acquisition rights to be allocated within one year from the date of the ordinary general meeting of shareholders for each business term shall not exceed 2,000.

(3) Subscription amount payable for the granted stock acquisition rights

The amount paid in for one (1) subscription right to shares shall be the amount determined by the Board of Directors on the basis of fair value of subscription rights to shares, which is computed by a fair calculation method including the Black-Scholes model, upon the allotment of the subscription rights to shares.

The recipient of the allotment of stock acquisition rights (hereinafter "Stock Acquisition Right Holder") shall not be required to pay in money as the remuneration receivable from the Company shall be offset against the amount payable for subscription.

(4) Amount of property to be contributed upon exercise of stock acquisition rights

When calculating the amount of property to be contributed upon exercise of stock acquisition rights, the amount per share issued upon exercise of stock acquisition rights shall be ¥1, and this shall be multiplied by the Number of Shares Granted to obtain the amount.

(5) Exercise period of stock acquisition rights

The exercise period of stock acquisition rights shall be determined by resolution of the Board of Directors within the scope of fifty (50) years from the date immediately following the allotment date of the stock acquisition rights.

(6) Conditions for exercise of stock acquisition rights

A qualified person entitled to the stock acquisition rights may only exercise the rights in a lump-sum only for a period of ten (10) days (if the 10th day is a holiday, the next business day) reckoning from the day following the date when he/she steps down from the position of a Director of the Company. Other conditions for exercising stock acquisition rights shall be decided by the Board of Directors of the Company that decides the subscription requirements of the stock acquisition rights.

(7) Restriction on acquisition of the stock acquisition rights by transfer

Acquisition of the stock acquisition rights by transfer shall require approval by resolution of the Board of Directors of the Company.

(8) Other details of stock acquisition rights

Any other details related to stock acquisition rights shall be decided by the Board of Directors of the Company that decides the subscription requirements of the stock acquisition rights.