

[Measures to prevent the spread of novel coronavirus disease (COVID-19)]

The Company will take following measures at the General Meeting of Shareholders for this year to reduce the risk of COVID-19 infection.

We ask for our shareholders' understanding and cooperation when attending, by first confirming the status of community spread and their own state of health at the time of the meeting and taking measures to prevent infection, such as wearing a mask. Alternatively, as a measure to prevent the spread of infection, we ask you to consider exercising your voting rights in writing or via the internet.

- The Company plans to distribute a video (on demand) of the General Meeting of Shareholders after the meeting. Details will be announced on the Company's website.
- The number of seats available will be limited as we will need to space them out in order to prevent the spread of COVID-19. As a result, please be aware that it is possible that not everyone who comes to the meeting will be able to enter the venue.
- For shareholders who travel to the venue, please wear face masks, have your temperature taken upon arrival to the venue and use the liquid hand disinfectant placed at the venue.
- Organizing staff members at the venue may reach out to shareholders who appear to be unwell.
- Organizing staff members will wear face masks during the meeting.
- The items to be reported and detailed explanations of the proposals will be omitted in order to shorten the duration of the meeting.
- The merchandise exhibition booth installed annually and the management briefing held after the conclusion of the General Meeting of Shareholders have been canceled.
- If the situation in the future necessitate changes in the way the meeting will be run, shareholders will be informed via the Company's website.

Notes:

- Please be aware that the meeting will be carried out in light clothing ("Cool Biz") on the day.
- Please understand that no gifts will be offered at this General Meeting of Shareholders.

The Company's website <https://www.paris-miki.com/>

Note: This is an excerpt translation of the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail. PARIS MIKI HOLDINGS Inc. assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code: 7455
June 8, 2022

To Our Shareholders:

Masahiro Sawada
President and Representative Director
PARIS MIKI HOLDINGS Inc.
Head Office: 2-4-3 Nihonbashi-Muromachi, Chuo-ku,
Tokyo
Headquarters: 1-2-3 Kaigan, Minato-ku, Tokyo

Notice of the 74th Ordinary General Meeting of Shareholders

We are pleased to announce the 74th Ordinary General Meeting of Shareholders of PARIS MIKI HOLDINGS Inc. (hereinafter referred to as the “Company”), which will be held on Tuesday, June 28, 2022, as described hereunder.

If you are not attending the meeting in person, you may exercise your voting rights either in writing or via the internet. Please exercise your voting rights by 6:30 p.m. on Monday, June 27, 2022 after reviewing the attached Reference Documents for the General Meeting of Shareholders.

Details

1. Date and Time:

Tuesday, June 28, 2022 at 3:00 p.m.
(The reception of the attendees to the meeting at the reception desk shall start at 2:00 p.m.)

2. Place:

1-7-1 Kaigan, Minato-ku, Tokyo
PORTHALL, 1st floor, OFFICE TOWER, TOKYO PORTCITY TAKESHIBA

3. Objectives of the Meeting

Matters to be reported:

1. Business Report and Consolidated Financial Statements, as well as the audit reports of the Accounting Auditor and the Audit & Supervisory Board for Consolidated Financial Statements, for the 74th fiscal term (from April 1, 2021 to March 31, 2022)
2. Non-consolidated Financial Statements for the 74th fiscal term (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- Proposal 1:** Partial Changes to Articles of Incorporation
Proposal 2: Election of Five (5) Directors
Proposal 3: Issuance of Share Options as Stock Options to Executive Officers and Employees of the Company, and Directors, Audit & Supervisory Board Members, Executive Officers and Employees of the Company’s Subsidiaries

4. Notice Regarding Exercise of Voting Rights

- a. If you do not indicate your approval or disapproval, or abstention of each proposal on the voting form, we will assume that you have voted in favor of the proposal.
- b. If you exercise your voting rights more than once via the internet, the last exercise shall be deemed valid.
- c. If you exercise your voting rights both by voting form and via the internet, the vote via the internet shall be deemed valid.
- d. If you are a shareholder who has opted to receive convocation notices by electromagnetic means but you wish to receive the voting form, please contact the point of contact for stock administration in the Securities Agent Department of Mizuho Trust & Banking Co., Ltd.
- e. If you exercise your voting rights by proxy, you may designate one other shareholder holding voting rights of the Company to attend the meeting. Please note, however, that it is necessary to submit a document proving the authority of proxy.

Notes:

- * You are kindly requested to present the enclosed voting form to the receptionist when you attend the meeting in person. You are also requested to bring this convocation notice to the meeting.
- * Of the documents required to be provided with this convocation notice, the following have been posted via the internet on the Company's website pursuant to the provisions of laws and regulations and Article 14 of the Company's Articles of Incorporation.

- i) From the Business Report:
"Share options," "System to ensure the properness of operations," and "Overview of the operational status of the system to ensure properness of operations."
- ii) From the Consolidated Financial Statements:
"Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements"
- iii) From the Non-consolidated Financial Statements:
"Non-consolidated Statement of Changes in Equity" and "Notes to the Non-consolidated Financial Statements"

Note that these items were included in the Business Report, the Consolidated Financial Statements and the Financial Statements that were audited when the accounting auditor and the audit & supervisory board members prepared their audit reports.

- * If any changes have been made to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, such changes will be posted via the internet on the Company's website.

The Company's website <https://www.paris-miki.com/>

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1: Partial Changes to Articles of Incorporation

1. Reason for Changes

With the enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on September 1, 2022, the system for providing informational materials for the general meeting of shareholders in electronic format will be introduced, and the Company therefore proposes changes to its Articles of Incorporation as follows:

- (1) Since the Company will be obliged to stipulate in its Articles of Incorporation that it will take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders in electronic format, paragraph 1 of Article 14 (Measures, etc. for Providing Information in Electronic Format) of the proposed articles will be established.
- (2) Among the matters for which measures for providing information that constitutes the content of reference materials for the General Meeting of Shareholders in electronic format will be taken, to enable the Company to limit the scope of matters to be presented on paper-based documents for delivery to shareholders who request delivery on paper-based documents to the scope stipulated by the Ministry of Justice Order, Paragraph 2 of Article 14 (Measures, etc. for Providing Information in Electronic Format) of the proposed articles will be established.
- (3) Since the provisions of Article 14 (Internet Disclosure of Material for Shareholders General Meeting) of the current Articles of Incorporation will no longer be required if the system for electronic provision of materials for the General Meeting of Shareholders is introduced, it will be deleted.
- (4) A supplementary provision will be established regarding the enforcement of the above newly established and deleted provisions. This supplementary provision will be deleted after the reference date.

2. Description of Changes

Description of changes is as follows:

(Changes are underlined.)

Present articles	Proposed articles
<p>Chapter III General Meeting of Shareholders <u>(Internet Disclosure of Material for Shareholders General Meeting)</u> <u>Article 14.</u> <u>The Company, upon convocation of shareholders general meeting, may disclose the information related to matters required to be registered or indicated on reference materials of a general meeting of shareholders, business report, accounting documents and consolidated financial statements using the internet as stipulated by the Ministerial Ordinance of the Ministry of Justice, and consider it provided to the shareholders.</u></p> <p style="text-align: center;">(Newly Established)</p>	<p>Chapter III General Meeting of Shareholders</p> <p style="text-align: center;">(Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u> <u>Article 14.</u> <u>1 When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc.</u></p>

Present articles	Proposed articles
(Newly Established)	<p data-bbox="855 212 1098 241"><u>in electronic format.</u></p> <p data-bbox="826 248 1406 544"><u>2 Among items for which the measures for providing information in electronic format will be taken, the Company shall not be required to present all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who request the delivery of paper-based documents by the record date of voting rights.</u></p> <p data-bbox="810 551 1390 678"><u>Supplementary provisions (Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <p data-bbox="810 685 916 714"><u>Article 1</u></p> <p data-bbox="826 721 1398 981"><u>1 The deletion of Article 14 (Internet Disclosure of Material for Shareholders General Meeting) of the Articles of Incorporation and establishment of Article 14 (Measures, etc. for Providing Information in Electronic Format) of the Articles of Incorporation shall take effect from September 1, 2022.</u></p> <p data-bbox="826 987 1406 1247"><u>2 Notwithstanding the provision of the preceding paragraph, Article 14 (Internet Disclosure of Material for Shareholders General Meeting) of the Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from September 1, 2022.</u></p> <p data-bbox="826 1254 1390 1451"><u>3 The provisions of this article shall be deleted on the date when six months have elapsed from September 1, 2022, or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal 2: Election of Five (5) Directors

The term of office of five (5) directors will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes the election of five (5) directors, including two (2) outside directors. Candidates for director are as follows.

Candidate No.	Name	Current position and responsibility in the Company	Nomination and Remuneration Committee	Attribute of candidate
1	Mikio Tane	Chairman and Representative Director	Member	Re-election
2	Masahiro Sawada	President and Representative Director	—	Re-election
3	Fumihiko Nakao	Director, Executive Vice President	—	Re-election
4	Akiko Iwamoto	Outside Director	Chairman	Re-election Outside Independent
5	Satoru Nino	Outside Director	Member	Re-election Outside Independent

[Reference] Election process of candidates for director

On February 10, 2021, the Company established the Nomination and Remuneration Committee, a voluntary advisory body to the Board of Directors, with two-thirds of its members being independent outside directors and the committee chaired by an independent outside director. In nominating candidates for director, including executive management, the representative director selects candidates and presents a draft to the Committee. After deliberation and report by the Committee, the Board of Directors nominates a candidate based on the resolution and submits the nomination as a proposal for the General Meeting of Shareholders.

Candidate No.	Name (Date of birth)	Career summary, position, business in charge and important concurrent posts	Number of the Company's shares held
1	Mikio Tane (November 9, 1959) [Re-election]	<p>April 1984 Joined MIKI OPTICAL Inc.</p> <p>August 1986 Director, MIKI OPTICAL Inc.</p> <p>March 1988 Senior Executive Director, PARIS MIKI Inc.</p> <p>June 1988 President and Representative Director, PARIS MIKI Inc.</p> <p>February 1989 Representative Director, Lunettes Inc.</p> <p>May 1994 Representative Director, Executive Vice President, PARIS MIKI Inc.</p> <p>May 1997 Representative Director, Executive Vice President, Manager, Human Resources, PARIS MIKI Inc.</p> <p>March 1999 General Manager, PARIS MIKI (INTERNATIONAL) SA</p> <p>June 1999 Representative Director, Executive Vice President, Manager, Human Resources and Overseas Operations, PARIS MIKI Inc.</p> <p>December 2002 Director, Codomo Limited (current position)</p> <p>June 2003 Director, PARIS MIKI Inc.</p> <p>June 2005 Representative Director, PARIS MIKI Inc.</p> <p>June 2008 Director, PARIS MIKI Inc.</p> <p>June 2008 Senior Managing Director, Lunettes Inc.</p> <p>April 2009 Chief Director, Okuizumo Tane Museum of Natural History (Public Interest Incorporated Foundation) (current position)</p> <p>July 2009 Representative Director, PARIS MIKI Inc.</p> <p>June 2011 Director, PARIS MIKI HOLDINGS Inc.</p> <p>August 2013 President and Representative Director, Clover Asset Management Inc. (current position)</p> <p>September 2014 Director, PX Group SA (current position)</p> <p>January 2015 Director, PARIS MIKI (INTERNATIONAL) SA</p> <p>June 2015 Representative Director, Executive Vice President, PARIS MIKI HOLDINGS Inc.</p> <p>June 2017 Director, PARIS MIKI HOLDINGS Inc.</p> <p>October 2017 President and Representative Director, Lunettes Inc. (current position)</p> <p>November 2017 Chairman and Representative Director, PARIS MIKI HOLDINGS Inc. (current position)</p> <p>January 2019 Chairman and Representative Director, PARIS MIKI (INTERNATIONAL) SA (current position)</p>	2,612,650 shares
[Reasons for nomination as candidate for director]		The Company nominates Mr. Mikio Tane for another term as a candidate for director as he conducts important decision making as Chairman and Representative Director under the customer-first corporate philosophy from a medium- to long-term perspective. He also has extensive experience and insight needed for the Group's overall management.	

Candidate No.	Name (Date of birth)	Career summary, position, business in charge and important concurrent posts	Number of the Company's shares held
2	Masahiro Sawada (February 9, 1957) [Re-election]	<p>April 1980 Joined MIKI OPTICAL Inc. January 2001 Director, PARIS MIKI AUSTRALIA PTY. LTD. April 2004 Human Resources Chief, PARIS MIKI Inc. November 2004 Executive Officer, Human Resources Chief, PARIS MIKI Inc. September 2005 Merchandising division Chief, PARIS MIKI Inc. June 2015 Director, PARIS MIKI Inc. February 2016 President and Representative Director, PARIS MIKI Inc. (current position) June 2016 Director, PARIS MIKI HOLDINGS Inc. May 2017 Executive Vice President, Lunettes Inc. June 2017 President and Representative Director, PARIS MIKI HOLDINGS Inc. (current position)</p>	43,019 shares
<p>[Reasons for nomination as candidate for director] The Company nominates Mr. Masahiro Sawada for another term as a candidate for director as he has shown strong leadership and is working hard to ensure customer satisfaction as President and Representative Director of the Company and the Group's major subsidiary, and because he has extensive experience and insight of business execution as the Manager of an overseas subsidiary, and as the person responsible for human resources and various business divisions such as Merchandising division.</p>			
3	Fumihiko Nakao (March 21, 1961) [Re-election]	<p>April 1984 Joined MIKI OPTICAL Inc. November 1986 Manager, PARIS-MIKI OPTIQUE H.K. LTD. August 1991 Director, PARIS MIKI OPTICAL (THAILAND) LTD. September 1996 Director, OPTIQUE PARIS-MIKI (S) PTE. LTD. April 2004 Manager, Department Store Operations, PARIS MIKI Inc. November 2004 Executive Officer, Merchandising division Chief, PARIS MIKI Inc. June 2007 Director, PARIS MIKI Inc. January 2009 President, PARIS MIKI Inc. July 2009 President and Representative Director, PARIS MIKI Inc. February 2012 Director, PARIS MIKI HOLDINGS Inc. June 2015 Senior Managing Director, PARIS MIKI HOLDINGS Inc. June 2016 Executive Vice President, PARIS MIKI HOLDINGS Inc. May 2017 Senior Managing Director, Lunettes Inc. July 2017 President and Representative Director, Medishared Co., Ltd. (current position) June 2018 Director, PARIS MIKI HOLDINGS Inc. July 2020 Director, Executive Vice President, PARIS MIKI HOLDINGS Inc. (current position)</p>	30,370 shares
<p>[Reasons for nomination as candidate for director] The Company nominates Mr. Fumihiko Nakao for another term as a candidate for director as he has experience as a President and Representative Director of the Group's major subsidiary and because he has extensive experience and insight of business execution as the Manager and Director of multiple overseas subsidiaries and as the person responsible for various business divisions such as Merchandising division.</p>			

Candidate No.	Name (Date of birth)	Career summary, position, business in charge and important concurrent posts	Number of the Company's shares held
4	Akiko Iwamoto (May 27, 1968) [Re-election] [Outside] [Independent]	<p>April 1991 Joined First Chicago Corp. (now JPMorgan Chase Bank N.A.)</p> <p>April 2000 Vice President, Bank One Corp. (now JPMorgan Chase Bank N.A.)</p> <p>April 2002 Vice President, Royal Bank of Canada</p> <p>April 2004 Chief Dealer, Aozora Bank, Ltd.</p> <p>February 2009 Representative, OFFICE [W.I.S.H.] (current position)</p> <p>April 2012 Visiting Professor, Faculty of Business Administration, Osaka University of Economics</p> <p>June 2015 Outside Audit & Supervisory Board Member, PARIS MIKI HOLDINGS Inc.</p> <p>June 2016 Outside Director, PARIS MIKI HOLDINGS Inc. (current position)</p> <p>May 2017 Audit & Supervisory Board Member, Lunettes Inc.</p> <p>May 2018 Director, Lunettes Inc.</p>	– shares
	<p>[Reasons for nomination as candidate for outside director and overview of expected roles] The Company nominates Ms. Akiko Iwamoto for another term as a candidate for outside director as she has professional and extensive insight related to international finance and international economics, as well as abundant experience in the financial industry in Japan and overseas, and because the Company expects that she will continue to provide advice to the management team and supervise the execution of duties by the Directors based on her insight and experience. If she is elected, she will serve as Chairman of the Nomination and Remuneration Committee and will be involved as a leader in the selection of candidates for the Company's officers and the determination of officers' remuneration and other matters from an objective and neutral standpoint. Note that although she has no experience of involvement in the management of a company in any way other than as an outside officer, the Company judges that she is able to appropriately perform her duties as an outside director due to the aforementioned reasons.</p>		
5	Satoru Nino (November 10, 1945) [Re-election] [Outside] [Independent]	<p>April 1984 Found ESMOD Tokyo, President (current position)</p> <p>September 1996 Executive Director, ESMOD Paris</p> <p>July 2000 President, French ESMOD International (current position)</p> <p>June 2006 Outside Audit & Supervisory Board Member, PARIS MIKI Inc.</p> <p>June 2008 Outside Director, PARIS MIKI Inc.</p> <p>May 2015 Audit & Supervisory Board Member, Lunettes Inc.</p> <p>June 2019 Outside Director, PARIS MIKI HOLDINGS Inc. (current position)</p>	– shares
	<p>[Reasons for nomination as candidate for outside director and overview of expected roles] The Company nominates Mr. Satoru Nino for another term as a candidate for outside director as he is highly regarded in international fashion and the education sector and has extensive experience in school management in various countries overseas. In addition, he has past experience as an Outside Audit & Supervisory Board Member of the Company for two (2) years from 2006 and as an Outside Director of the Company for six (6) years from 2008, and has a good understanding of the corporate philosophy and principle of the Company and the business. Therefore, the Company expects him to continue to provide advice to the management team and supervise the execution of duties by the Directors based on his knowledge and experience. If he is elected, he will serve as a member of the Nomination and Remuneration Committee and will be involved in the selection of candidates for the Company's officers and the determination of officers' remuneration and other matters from an objective and neutral standpoint.</p>		

- Notes:
1. Mr. Mikio Tane is President and Representative Director of Lunettes Inc. The Company has a business relationship with Lunettes Inc. regarding real estate leasing, and there is a loan guarantee on borrowing from a financial institution in place between the two companies.
 2. There are no special interests between the other candidates for director and the Company.
 3. Ms. Akiko Iwamoto and Mr. Satoru Nino are candidates for outside director.
 4. The number of the Company's shares held by each candidate presented is the number of shares held as of March 31, 2022, and it includes his/her shareholding in PARIS MIKI's Officers Shareholding Association.
 5. The current lengths of Ms. Akiko Iwamoto's service and Mr. Satoru Nino's service as outside directors of the Company will be six (6) years and three (3) years, respectively at the conclusion of this General Meeting of Shareholders.

6. Ms. Akiko Iwamoto and Mr. Satoru Nino have been executive or non-executive officers of Lunettes Inc. for the past ten years, and their positions and responsibilities are as stated in the “Career summary, positions, business in charge, and important concurrent posts” section above.
7. The Company has entered into an agreement limiting liability with Ms. Akiko Iwamoto and Mr. Satoru Nino. If their re-election is approved, the Company intends to continue the aforesaid agreement, which limits their liability for damages to the higher of 1 million yen or the minimum amount set forth in Article 425, paragraph (1) of the Companies Act.
8. The Company has entered into a directors and officers liability insurance policy as stipulated in Article 430-3, paragraph (1) of the Companies Act with the current directors, and a summary of the contents of such insurance policy is shown on page 32 of the Business Report (in Japanese only). If the election of a candidate for director is approved, they will continue to be included as an insured under the said insurance policy. Furthermore, the Company plans to renew the insurance policy under the same terms at the next renewal.
9. The Company has notified both Ms. Akiko Iwamoto and Mr. Satoru Nino as independent officers to the Tokyo Stock Exchange. If the two candidates are reelected, they will continue to be independent officers.

[Reference] Skill Matrix for the Current Board of Directors (including Audit and Supervisory Board Members and Executive Officers)

Name	Position and Responsibility	Diversity	General Management Skills				Skills and Characteristics in Company Strategy	
			Corporate management	International operations	Finance	Governance	Excitement	Security
Mikio Tane	Chairman and Representative Director		●	●	●			Asset Management
Masahiro Sawada	President and Representative Director		●	●		●	Design Entertainment	
Fumihiko Nakao	Director, Executive Vice President		●	●				Medical
Akiko Iwamoto	Outside Director (Independent, Outside)	●		●	●			
Satoru Nino	Outside Director (Independent, Outside)	●	●	●			Design Art Fashion	Ecology Sustainability
Toshiro Nagata	Standing Audit and Supervisory Board Member		●			●		
Yoshiaki Nishimura	Audit and Supervisory Board Member (Independent, Outside)			●	●	●	EC Fund Settlement DX	
Toshiki Sada	Audit and Supervisory Board Member (Independent, Outside)		●	●	●		Design	Conversational Skills
Yuji Tsuneyoshi	Executive Officer in charge of Sales		●			●	Hospitality	Coaching
Mafumi Tanada	Executive Officer in charge of Global Strategy / East Asia	●	●	●				
Yuji Kayama	Executive Officer in charge of Financial Accounting and Human resource development		●		●	●		Sustainability
Kenji Kikkawa	Executive Officer in charge of Products		●				Planning/Products	
Yasukazu Kurumegi	Executive Officer in charge of Audio Business		●					Certified Hearing Aid Technician

- Notes: 1. The revised matters in “Partial Revisions to the ‘Notice of the 74th Ordinary General Meeting of Shareholders’” disclosed on June 8, 2022 are reflected here.
2. Shows major skills and anticipated skills (up to 3) of each officer.
3. The Diversity category shows items related to diversity such as gender, overseas residence, etc.
4. The Company has formulated a medium-term management plan with a vision centered on the focal points of Excitement and Security for the prosperity of each and every customer. In addition to general management skills, skills and characteristics of each officer are shown that particularly relate to these elements.

Proposal 3: Issuance of Share Options as Stock Options to Executive Officers and Employees of the Company, and Directors, Audit & Supervisory Board Members, Executive Officers and Employees of the Company's Subsidiaries

Pursuant to the provisions of Article 236, Article 238 and Article 239 of the Companies Act, the Company requests your approval for delegating to the Board of Directors of the Company the authority to determine the subscription requirements to share options to be issued as stock options to the executive officers and employees of the Company, and the directors, audit & supervisory board members, executive officers and employees of the Company's subsidiaries so as to contribute to the improvement of corporate value of the entire Group over the medium to long term by raising their awareness on the Company's shares and by carrying out the management of integrated organization and developing successors.

1. Reasons for the need to solicit subscribers for share options on particularly favorable terms
The Company intends to issue share options to the executive officers and employees of the Company, and the directors, audit & supervisory board members, executive officers and employees of the Company's subsidiaries so as to contribute to the improvement of corporate value of the entire Group over the medium to long term by raising their awareness on the Company's shares and by carrying out the management of integrated organization and developing successors.

2. Persons to whom share options are to be allocated
Share options shall be allocated to the executive officers and employees of the Company, and the directors, audit & supervisory board members, executive officers and employees of the Company's subsidiaries.

3. Details and the maximum number of share options whose subscription requirements may be determined by the Company based on the decision made by this General Meeting of Shareholders

(1) Type and number of shares to be delivered upon exercise of share options

Up to 1,000,000 shares of common stock.

In case the Company conducts a share split (including gratis allotment of shares) or share consolidation of the Company's common stock, the subject number of shares shall be adjusted by applying the following formula; provided, however, that the applied adjustment is performed on the number of shares underlying the share options that are not exercised in the aforementioned period and fractions of less than one share resulting from the adjustment are disregarded.

Number of shares after adjustment=Number of shares before adjustment x Ratio of share split or share consolidation

Furthermore, in events separate to the above that may occur after the day of resolution, including a merger between the Company and another company, the Company undergoing a company split, the Company reducing its capital, or other event where it is necessary to adjust the number of shares, the Company shall make the necessary adjustment to the extent reasonable.

(2) Number of share options

The maximum total number of share options to be issued within one year from the day of this General Meeting of Shareholders shall be set at 10,000. The number of shares for each share option (hereinafter referred to as the "Number of Granted Shares") shall be 100 shares; provided, however, if a share number adjustment set forth in "(1) Type and number of shares to be delivered upon exercise of share options" above is conducted, similar adjustment shall be applied to the Number of Granted Shares.

(3) Payment amount for share options

Payment of money for share options shall not be required.

(4) Amount to be paid when share options are exercised

Amount to be paid when share options are exercised shall be the paid amount per share that can be delivered by exercising the share options (hereinafter referred to as the "Exercise Amount"), multiplied by the Number of Granted Shares concerning the relevant share options.

The Exercise Amount will be the average value of closing price in regular trading of the Company's common stock on the Tokyo Stock Exchange (hereinafter referred to as the "Closing Price") on each day of the previous month of the date when the share options are allocated (hereinafter referred to as the "Allotment Date"), multiplied by 1.05. Note that the date when the trade was not effective is not included. Fractions of less than 1 yen will be rounded up. However, in the case the amount is lower than the Closing Price of the Allotment Date (when no Closing Price is published on that day, Closing Price of the nearest previous date shall be applied; the same shall apply hereinafter), it will be the Closing Price on the Allotment Date.

After the Allotment Date, in an event of a share split or share consolidation of the Company's common stock, or other event where it is necessary to adjust the Exercise Amount, it will be adjusted by the following formula, with fractions of less than 1 yen rounded up.

$$\text{Exercise Amount after adjustment} = \text{Exercise Amount before adjustment} \times \frac{1}{\text{Ratio of share split/share consolidation}}$$

In addition, after the Allotment Date of the share options, in an event where the Company issues new shares of common stock or disposes of treasury shares of common stock at a price lower than market price, the Exercise Amount will be adjusted by the following formula, with fractions of less than 1 yen rounded up.

$$\text{Exercise Amount after adjustment} = \text{Exercise Amount before adjustment} \times \frac{\text{Number of shares outstanding} + \frac{\text{Number of shares to be issued} \times \text{Subscription price per share to be issued}}{\text{Market price per share}}}{\text{Number of shares outstanding} + \text{Number of shares to be issued}}$$

In the above formula, the "number of shares outstanding" is the number of the Company's outstanding shares of common stock, deducted by the number of shares of common stock in its treasury stock. In the case the treasury stock is disposed, the "number of shares to be issued" shall be treated as the "number of shares to be disposed."

Furthermore, in the case the Company is merged with another company, executes a company split, the Company reducing its capital, or other event where it is necessary to adjust the Exercise Amount after the Allotment Date, the Exercise Amount shall be adjusted within a rational range, subject to a resolution of the Board of Directors.

(5) Exercise period of share options

The exercise period shall be determined at the same meeting of the Board of Directors that determines the subscription requirements of the share options and shall be within a range beginning from the day two years after the day of the aforesaid meeting of the Board of Directors and ending on the day ten years after the day of the aforesaid meeting.

(6) Limits of acquisition of share options by assignment

Acquisition of share options by assignment shall require approval of the Board of Directors.

(7) Fair value of share options

The Black-Scholes model, etc. shall be used to calculate the fair value of the share options based on various conditions including the share price of the Company's shares and the Exercise Amount on the Allotment Date.

(8) Exercise conditions of share options

- i) Holders of the share options are required to satisfy the condition of serving as a director, audit & supervisory board member or employee of the Company or its affiliated companies, even at the time of exercising the share options; providing that this requirement does not apply in cases where the Board of Directors finds a justifiable reason after taking various circumstances into account, such as the cases when a director or audit & supervisory board member of the Company or its affiliated companies resigns due to the expiry of his/her term of office, or retires at his/her mandatory retirement age, or where there are other justifiable grounds.
- ii) Exercise of share options by heirs to the holders of the share options is not permitted.

- iii) Exercise of share options is not possible if the said exercise of share options would cause the total number of issued shares of the Company to exceed the number of authorized shares at the relevant timing.
 - iv) Exercise of less than a whole unit of share options is not possible.
- (9) Reasons and conditions for acquiring share options
- i) In the event that approval at the General Meeting of Shareholders (or a resolution by the Board of Directors where the approval of the General Meeting of Shareholders is not necessary) is obtained on a merger agreement whereby the Company becomes the dissolving company, a company split agreement or company split plan whereby the Company becomes the splitting company, or a share exchange agreement or share transfer plan whereby the Company becomes a wholly owned subsidiary, the Company may acquire all existing share options without contribution on the arrival of a date that is determined separately by the Board of Directors.
 - ii) In the event that a share option holder can no longer exercise share options pursuant to the provisions stipulated in (8) above, the Company may acquire the said share options without contribution.
- (10) Other subscription requirements concerning share options may be decided by resolution at separately held meetings of the Board of Directors.