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(Stock Exchange Code 8708)

June 4, 2019

To Shareholders with Voting Rights:

Takuya Aizawa
President
AIZAWA SECURITIES CO., LTD.
1-20-3 Nihonbashi, Chuo-ku,
Tokyo, Japan

NOTICE OF THE 99TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 99th Annual General Meeting of Shareholders of AIZAWA SECURITIES CO., LTD. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights in the manner described hereafter by 5:00 p.m. (JST) on Monday, June 24, 2019.

- 1. Date and Time:** Tuesday, June 25, 2019 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)
- 2. Place:** 4F, Bellesalle Tokyo Nihombashi, Tokyo Nihombashi Tower
2-7-1 Nihonbashi, Chuo-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the 99th Fiscal Year (April 1, 2018 - March 31, 2019) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the 99th Fiscal Year (April 1, 2018 - March 31, 2019)
- Proposals to be resolved:**
- Proposal 1:** Election of Eight (8) Directors
- Proposal 2:** Election of Two (2) Audit & Supervisory Board Members
- Proposal 3:** Determination of Remuneration for Granting Shares with Restriction on Transfer for Directors (Excluding Outside Directors)

In accordance with the provisions of laws and regulations and Article 18 of the Company's Articles of Incorporation, the following matters are posted on the Company's website, and are not included in this Notice and attached documents. (URL: https://www.aizawa.co.jp/ir/library/general_meeting.html)

<1> "Systems to Ensure Appropriateness of Business Operations" in the Business Report

<2> Notes to the Consolidated Financial Statements

<3> Notes to the Non-consolidated Financial Statements

Thus, documents provided with this Notice constitute a portion of the scope of audit in the Independent Auditor's Report and the Audit Report by the Audit & Supervisory Board.

Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require any revisions, the revisions will be posted on the Company's website (<https://www.aizawa.co.jp>).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes that eight (8) Directors including a newly-appointed Director be elected.

The candidates for Directors are as follows:

No.	Name		Current positions and responsibilities at the Company
1	Takuya Aizawa	Reappointment	President COO and CHO In charge of Strategic Personnel In charge of Corporate Planning Department, Business Process Reengineering Department, Underwriting Department and Investment Adviser Department
2	Yuji Kakudo	Reappointment	Senior Managing Director CIO In charge of New Business Creation and Regional Revitalization
3	Atsushi Ohishi	Reappointment	Managing Director CMO
4	Naoi Nijjima	Reappointment Woman	Director Head of Compliance Division
5	Kazuhiro Mashiba	Reappointment	Director CFO
6	Atsuo Takahashi	Reappointment Outside Independent	Director
7	Kunimi Tokuoka	Reappointment Outside Independent	Director
8	Shinichiro Shiraki	New appointment Outside Independent	

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
1	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Takuya Aizawa (September 5, 1974)</p>	<p>October 1997 Joined Nomura Research Institute, Ltd. July 2005 Joined the Company March 2010 Senior General Manager; Dedicated General Manager, Planning Department June 2012 Director May 2013 Director, YAHATA SECURITIES CO., LTD. (currently AIZAWA SECURITIES CO., LTD.) June 2014 Senior Managing Director; Head of Administration Division June 2014 Director, AIZAWA Investments Co., Ltd. June 2016 Representative Senior Managing Director; Head of Administration Division March 2017 President, Japan Asia Securities Co., Ltd. (currently AIZAWA SECURITIES CO., LTD.) March 2017 Director June 2018 Director, JAPAN SECURITIES INC. July 2018 President October 2018 President COO and CHO (current position)</p> <p>[Business in Charge in the Company] Strategic Personnel Corporate Planning Department Business Process Reengineering Department Underwriting Department Investment Adviser Department</p> <p>[Significant concurrent positions] Director, AIZAWA Investments Co., Ltd. Director, JAPAN SECURITIES INC.</p>	835,508
<p>[Reason for nomination as a candidate for Director] Mr. Takuya Aizawa has extensive knowledge relating to finance-related systems acquired through engaging in the finance-related system engineering business, and since joining the Company, he has been mainly involved in businesses including product planning, corporate planning, and IR, as well as in the management of subsidiaries. We nominate him as a candidate for Director, because he has high expertise related to the financial instruments business and corporate management in general.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
2	<p data-bbox="209 636 384 667"><u>Reappointment</u></p> <p data-bbox="209 701 384 790">Yuji Kakudo (September 29, 1958)</p>	<p data-bbox="432 271 1246 327">April 1982 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p data-bbox="432 333 1222 389">April 1999 Senior Assistant Manager, Corporate Planning Office, Global Planning Department</p> <p data-bbox="432 396 1299 542">April 2000 Seconded to Kankaku Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.), General Manager, Corporate Planning Department Assigned to U.S. office (Boston), Special Assignment Manager</p> <p data-bbox="432 548 1246 604">April 2006 General Manager, Securities Department, Mizuho Bank, Ltd., and Director, Mizuho Capital Co., Ltd.</p> <p data-bbox="432 611 1270 667">April 2007 General Manager, Securities & Trust Department, Mizuho Bank, Ltd.</p> <p data-bbox="432 674 1161 701">April 2008 General Manager, Umeda Corporate Department</p> <p data-bbox="432 707 863 734">May 2010 Advisor, the Company</p> <p data-bbox="432 741 932 768">June 2010 Managing Executive Officer</p> <p data-bbox="432 775 703 801">June 2011 Director</p> <p data-bbox="432 808 826 835">June 2013 Managing Director</p> <p data-bbox="432 842 1225 898">April 2017 Senior Managing Director; Head of Strategic Planning Division and General Manager, Strategic Planning Department</p> <p data-bbox="432 904 1225 960">July 2018 Senior Managing Director; Head of Strategic Planning Division</p> <p data-bbox="432 967 1166 994">October 2018 Senior Managing Director CIO (current position)</p> <p data-bbox="432 1039 852 1128">[Business in Charge in the Company] New Business Creation Regional Revitalization</p>	19,800
<p data-bbox="177 1173 756 1200">[Reason for nomination as a candidate for Director]</p> <p data-bbox="177 1207 1474 1301">Mr. Yuji Kakudo is well versed in banking and securities businesses. After joining the Company, he started a solution service, in which he played a central role. We nominate him as a candidate for Director, because he has a wealth of experience, achievements, and expertise in corporate management in general.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
3	<p style="text-align: center;">Reappointment</p> <p style="text-align: center;">Atsushi Ohishi (December 10, 1967)</p>	<p>April 1990 Joined the Company</p> <p>July 2005 General Manager, Investment Bank Department</p> <p>July 2005 President, AIZAWA Investments Co., Ltd.</p> <p>July 2006 General Manager, Investment Bank Department I</p> <p>June 2009 Executive Officer; General Manager, Planning Department</p> <p>June 2009 Director, AIZAWA Investments Co., Ltd.</p> <p>May 2013 Director, YAHATA SECURITIES CO., LTD. (currently AIZAWA SECURITIES CO., LTD.)</p> <p>June 2013 Executive Officer; Head of Business Strategy Division and General Manager, Planning Department</p> <p>June 2014 Director; Head of Business Strategy Division and General Manager, Planning Department</p> <p>March 2017 Director, Japan Asia Securities Co., Ltd. (currently AIZAWA SECURITIES CO., LTD.)</p> <p>April 2017 Managing Director; Head of Sales Division and General Manager, Chugoku region Sales Division</p> <p>June 2017 Managing Director; Head of Sales Division</p> <p>May 2019 Managing Director CMO (current position)</p> <p>[Significant concurrent positions] Director, AIZAWA Investments Co., Ltd.</p>	17,200
<p>[Reason for nomination as a candidate for Director] Mr. Atsushi Ohishi has been engaged in businesses including retail sales, investment banking, sales planning, and corporate planning as well as in the management of subsidiaries at the Company and its subsidiaries. We nominate him as a candidate for Director, because he has a wealth of experience, achievements, and expertise in corporate management in general.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
4	<p style="text-align: center;"><u>Reappointment</u> <u>Woman</u></p> <p>Naoi Niijima (July 6, 1960)</p>	<p>February 1989 Joined the Company</p> <p>August 2000 Manager, Corporate Planning Section, Corporate Planning Department</p> <p>June 2007 General Manager, Planning Department I</p> <p>August 2011 Senior General Manager; Deputy General Manager, Administration Division and General Manager, General Affairs and Personnel Department</p> <p>June 2014 Executive Officer; Deputy General Manager, Administration Division and General Manager, General Affairs and Personnel Department</p> <p>June 2015 Audit & Supervisory Board Member, AIZAWA Investments Co., Ltd.</p> <p>March 2017 Executive Officer; Head of Administration Division</p> <p>March 2017 Audit & Supervisory Board Member, Japan Asia Securities Co., Ltd. (currently AIZAWA SECURITIES CO., LTD.)</p> <p>April 2017 Executive Officer; Head of Compliance Division</p> <p>June 2017 Director; Head of Compliance Division</p> <p>March 2018 Director; Head of Compliance Division and General Manager, Sales Administration Department</p> <p>July 2018 Director; Head of Compliance Division (current position)</p> <p>[Significant concurrent positions] Audit & Supervisory Board Member, AIZAWA Investments Co., Ltd.</p>	14,200
<p>[Reason for nomination as a candidate for Director]</p> <p>Ms. Naoi Niijima served as General Manager, General Affairs and Personnel Department, Head of Administration Division, and Head of Compliance Division, after mainly engaging in corporate planning duties. She has accumulated a wealth of experience, achievements and expertise in the financial instruments business and corporate management in general. As a variety of discussions from a woman's point of view will contribute to enhancing the corporate value of the Company, we nominate her as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
5	<p style="text-align: center;"><u>Reappointment</u></p> <p>Kazuhiro Mashiba (April 29, 1966)</p>	<p>April 1990 Joined NAITO Securities Co., Ltd.</p> <p>April 2001 Joined the Company</p> <p>June 2011 President, AIZAWA Investments Co., Ltd.</p> <p>October 2011 General Manager, Accounting Department</p> <p>May 2013 Audit & Supervisory Board Member, YAHATA SECURITIES CO., LTD. (currently AIZAWA SECURITIES CO., LTD.)</p> <p>June 2016 Executive Officer; General Manager, Accounting Department</p> <p>March 2017 Audit & Supervisory Board Member, Japan Asia Securities Co., Ltd. (currently AIZAWA SECURITIES CO., LTD.)</p> <p>April 2017 Senior Executive Officer; Head of Administration Division and General Manager, Corporate Planning Department</p> <p>March 2018 Senior Executive Officer; Head of Administration Division, General Manager, Corporate Planning Department and General Manager, Business Management Department</p> <p>June 2018 Director; Head of Administration Division</p> <p>May 2019 Director CFO (current position)</p> <p>May 2019 Director, JAPAN SECURITIES INC.</p> <p>[Significant concurrent positions] President, AIZAWA Investments Co., Ltd. Director, JAPAN SECURITIES INC.</p>	9,300
<p>[Reason for nomination as a candidate for Director] Mr. Kazuhiro Mashiba served as General Manager, Accounting Department and Head of Administration Division. He has been engaged in businesses including investment banking and corporate planning as well as in the management of subsidiaries at the Company and its subsidiaries. We nominate him as a candidate for Director, because he has a wealth of experience, achievements and expertise in corporate management in general.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
6	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Independent</div> Atsuo Takahashi (November 12, 1940)	April 1964 Joined Ministry of Finance June 1991 Deputy Director-General of the Banking Bureau, Ministry of Finance June 1993 Director-General of the Customs and Tariff Bureau July 1998 Served as Managing Director, Senior Managing Director and Vice Chairman, Japan Securities Dealers Association April 2004 Commissioner, Auditing Oversight Board of Certified Public Accountant July 2005 Chairman of the Board, Japan Securities Research Institute November 2007 Chairman, Japan Investor Protection Fund June 2011 Special Temporary Employee, Japan Securities Research Institute June 2012 Director, the Company (current position) [Significant concurrent positions] Outside Audit & Supervisory Board Member, Takagi Securities Co., Ltd. (scheduled to retire as of June 26, 2019) Chairman, Japan Tariff Association (scheduled to retire as of May 30, 2019)	-
[Reason for nomination as a candidate for Outside Director] Mr. Atsuo Takahashi, served as Deputy Director-General of the Ministry of Finance and Managing Director, Senior Managing Director and Vice Chairman of Japan Securities Dealers Association. He has a wealth of expertise and experience in overall financial matters and financial instruments business, etc. We nominate him as a candidate for Outside Director as we believe that he will be able to appropriately execute his duties as an Outside Director. He will have served as an Outside Director of the Company for seven (7) years at the conclusion of this General Meeting of Shareholders.			
7	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Independent</div> Kunimi Tokuoka (November 27, 1951)	April 1976 Joined The Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.) May 1987 Seconded to IBJ International plc, Associate Director July 1993 General Manager, Bond Sales Division I, IBJ Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.) June 1999 Executive Officer October 2000 Managing Executive Officer; General Manager, Market Sales Group April 2007 Managing Executive Officer; General Manager, Global Investment Bank Department September 2008 Senior Managing Executive Officer, Aozora Bank, Ltd. June 2009 Representative Director and Deputy President June 2016 Director, the Company (current position) July 2017 External Auditor, ES NETWORKS CO., LTD. [Significant concurrent positions] External Auditor, ES NETWORKS CO., LTD.	-
[Reason for nomination as a candidate for Outside Director] Having served as Executive Officer, IBJ Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.) and Representative Director and Deputy President, Aozora Bank, Ltd., etc., Mr. Kunimi Tokuoka has long been affiliated with financial institutions and engaged in corporate management. We nominate him as a candidate for Outside Director as we believe that he will be able to appropriately execute his duties as an Outside Director, such as providing accurate advice to the management of the Company based on his wealth of expertise and experience in the field of finance in general and financial instruments business, etc. He will have served as an Outside Director of the Company for three (3) years at the conclusion of this General Meeting of Shareholders.			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
8	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">New appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Independent</div> Shinichiro Shiraki (July 16, 1970)	April 1993 Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.) June 2007 Director, Monex Alternative Investments, Inc. (currently Astmax Asset Management, Inc.) February 2009 Managing Director & Chairman April 2013 Director; in charge of Asset Management and Sales Department, Astmax Asset Management, Inc. June 2015 Representative Director and President, Akebono Asset Management Ltd. (current position) [Significant concurrent positions] Representative Director and President, Akebono Asset Management Ltd.	-
<div style="border: 1px solid black; padding: 5px;"> <p>[Reason for nomination as a candidate for Outside Director] Mr. Shinichiro Shiraki has extensive knowledge and experience in finance, investments and financial strategies in general through engaging in the investment management business for many years, as well as being a corporate manager of an investment firm. We nominate him as a candidate for Outside Director as we believe that he will provide accurate advice to the management of the Company.</p> </div>			

- (Notes) 1. There are no special interests between each candidate for Directors and the Company.
2. Mr. Atsuo Takahashi is a candidate for Outside Director. The Company has registered him as an independent officer with the Tokyo Stock Exchange pursuant to the rules stipulated by the Exchange.
 3. Mr. Kunimi Tokuoka is a candidate for Outside Director. The Company has registered him as an independent officer with the Tokyo Stock Exchange pursuant to the rules stipulated by the Exchange.
 4. Mr. Shinichiro Shiraki is a candidate for Outside Director. The Company intends to register him as an independent officer with the Tokyo Stock Exchange pursuant to the rules stipulated by the Exchange.
 5. To facilitate the recruitment of talented human resources as Outside Directors, the Company has stipulated in its Articles of Incorporation that it may enter into an agreement with Outside Directors to limit their liability for damages to the Company to a certain range. The Company has entered into the limited liability agreement with Mr. Atsuo Takahashi and Mr. Kunimi Tokuoka and intends to enter into the said limited liability agreement with Mr. Shinichiro Shiraki, candidate for Outside Director.
 Outline of the contents of the agreement is as follows:
 - If an Outside Director is liable for damages to the Company due to negligence of his/her duty, his/her liability will be limited to the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act.
 - The aforementioned liability limitation shall be applied only in cases where such Outside Director performed his/her duties giving rise to such liabilities in good faith and without gross negligence.

Proposal 2: Election of Two (2) Audit & Supervisory Board Members

At the conclusion of this General Meeting of Shareholders, the term of office of Audit & Supervisory Board Member Fumitoshi Ishikawa, will expire and Audit & Supervisory Board Member Masaaki Okita has resigned as of April 30, 2019. Accordingly, the Company proposes that two Audit & Supervisory Board Members including a newly-appointed Audit & Supervisory Board Member be elected.

The Audit & Supervisory Board has given its consent to this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
1	<p style="text-align: center;">Reappointment</p> <p>Fumitoshi Ishikawa (February 12, 1955)</p>	<p>April 1977 Joined the Company</p> <p>February 1993 Branch Manager, Hadano Branch</p> <p>June 2006 Senior General Manager; Branch Manager, Kakegawa Branch</p> <p>June 2008 Executive Officer; General Manager, Shizuoka Sales Division</p> <p>June 2014 Executive Officer; Head of Compliance Division</p> <p>January 2016 Executive Officer; General Manager, Investment Adviser's Office</p> <p>June 2018 Audit & Supervisory Board Member (current position)</p>	25,460
<p>[Reason for nomination as a candidate for Audit & Supervisory Board Member]</p> <p>Since joining the Company, Mr. Fumitoshi Ishikawa held various managerial positions in retail sales, and served as Head of Compliance Division and General Manager, Investment Adviser's Office. We nominate him as a candidate for Audit & Supervisory Board Member, because he has a wealth of experience, achievements and expertise in both retail sales and compliance and management in general.</p>			
2	<p style="text-align: center;">New appointment</p> <p>Mitsuru Shirai (March 22, 1956)</p>	<p>April 1978 Joined the Company</p> <p>June 1998 Branch Manager, Chofu Branch</p> <p>November 2001 Branch Manager, Shimizu Branch</p> <p>July 2003 Branch Manager, Mishima Branch</p> <p>July 2006 Branch Manager, Fujinomiya Branch</p> <p>August 2011 Senior General Manager; General Manager, East Japan Sales Division</p> <p>October 2013 Senior General Manager; Branch Manager, Fujinomiya Branch</p> <p>May 2019 Senior General Manager; Executive Adviser, Assistant to Human Resources Division (current position)</p>	12,300
<p>[Reason for nomination as a candidate for Audit & Supervisory Board Member]</p> <p>Since joining the Company, Mr. Mitsuru Shirai held various managerial positions in retail sales including Branch Manager, Chofu Branch, and served as General Manager, East Japan Sales Division. We nominate him as a candidate for Audit & Supervisory Board Member because of his wealth of experience, achievements, and expertise in both retail sales and management in general.</p>			

(Notes) 1. There are no special interests between each candidate for Audit & Supervisory Board Members and the Company.

2. Mr. Masaaki Okita resigned from the office of Audit & Supervisory Board Member as of April 30, 2019, and has assumed the office of Senior Executive Officer and Head of Sales Promotion Division of the Company as of May 1, 2019.

Proposal 3: Determination of Remuneration for Granting Shares with Restriction on Transfer for Directors (Excluding Outside Directors)

The amount of remuneration, etc. for Director of the Company was approved by the resolution of the 87th Annual General Meeting of Shareholders held on June 26, 2007 at within the annual amount of ¥600 million (however, excluding the amount of employee salary paid to Directors who serve concurrently as employees).

As part of the revision of the remuneration plan for Directors, the Company proposes to newly offer remuneration to the Directors of the Company (“Eligible Director(s)”) for granting shares with restrictions on transfer (or “restricted stock”) in an effort to provide incentives to the Eligible Directors to sustainably increase corporate value and to further promote the sharing of value with Company’s shareholders.

The Company, upon comprehensively taking into consideration various circumstances including the degree of contribution of Directors of the Company, proposes to set the total amount of monetary remuneration receivables to be used for granting restricted stock to Eligible Directors as remuneration, etc. at within the annual amount of ¥50 million, separate from the above-stated amount of annual remuneration, etc. for Directors.

The allotment of the restricted stock has been determined upon comprehensively taking into consideration various circumstances including the degree of contribution of Directors of the Company and thus the Company deems the content of this allotment to be reasonable.

Currently, the number of Directors is eight (8) (including two (2) Outside Directors). If Proposal 1 “Election of Eight (8) Directors” is approved as proposed, the number of Directors shall remain the same at eight (8) (including three (3) Outside Directors).

Specific Details of Restricted Stock for Eligible Directors and the Maximum Number of Stock

1. Allotment and payment of restricted stock

The Company, based on the resolution of the Board of Directors of the Company, shall pay the Eligible Directors, monetary remuneration receivables within the above-stated annual amount as remuneration relating to restricted stock, and each one of the Eligible Director will make an in-kind contribution of the entire amount of the said monetary remuneration receivables, and receive allotment of the restricted stock.

The payment amount of the restricted stock will be determined at the Board of Directors based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day before each resolution by the Board of Directors for its issue or disposal (if no transactions are made on that day, the closing price on the most recent trading date), and within a scope which is not a particularly advantageous price for the Eligible Directors receiving the allotment of the restricted stock.

Additionally, the monetary remuneration receivables above will be paid on the condition that the Eligible Directors have agreed to the above contribution in kind and have executed the Restricted Stock Allotment Agreement which contains the details set forth in paragraph 3 below.

2. Total number of restricted stock

The total number of the restricted stock of 50,000 shares which may be allotted to the Eligible Directors, shall be the maximum number of the restricted stock which may be allotted each fiscal year.

However, in the case of a share split (including gratis allocation of the common shares of the Company), or the consolidation of shares, or in other similar cases when adjustments are necessary, the total number of the restricted stock can be adjusted within a reasonable scope.

3. Details of the Restricted Stock Allotment Agreement

The Restricted Stock Allotment Agreement to be executed between the Company and the Eligible Directors to receive the allotment of the restricted stock, based on the resolution of the Board of Directors of the Company in the allotment of Restricted Stock shall include the following.

(1) Details of the restrictions on transfer

During a period of 5 years to 30 years, as defined by the Board of Directors of the Company (the “Transfer Restriction Period”), the Eligible Directors allotted the restricted stock are not to transfer to a third party,

create any security interest on, pledge as security, use as inter vivos gift, bequest or otherwise dispose of the said restricted stock.

(2) Acquisition of restricted stock without consideration

In the case that the Eligible Director allotted the restricted stock ceases to hold the position of Director of the Company or Director of the Company's subsidiary during the period from the date of commencement of the Transfer Restriction Period until the day prior to the holding of the first Annual General Meeting of Shareholders after such date, the Company shall acquire without consideration the restricted stock allotted to the said Eligible Director (the "Allotted Shares"), except where there is a justifiable reason approved by the Board of Directors of the Company.

Additionally, the Company, as a matter of course, is to acquire without consideration Allotted Shares for which restrictions on transfer have not been canceled based on the provisions listed in (3) below at the point at which the Transfer Restriction Period in (1) above expires.

(3) Cancellation of restrictions on transfer

On the condition that the Eligible Director allotted the restricted stock continues to hold the position of Director of the Company or Director of the Company's subsidiary during the period from the date of commencement of the Transfer Restriction Period until the holding day of the first Annual General Meeting of Shareholders after such date, the Company shall cancel the restrictions on transfer on all Allotted Shares at the point at which the Transfer Restriction Period expires.

However, if the Eligible Director retires from the position of Director of the Company or Director of the Company's subsidiary prior to the expiry of the Transfer Restriction Period due to a justifiable reason, as approved by the Board of Directors of the Company, the number of Allotted Shares, for which the restrictions on transfer are to be canceled, and the timing thereof are to be reasonably adjusted, as necessary.

(4) Treatment in the case of organizational restructuring

During the Transfer Restriction Period, if a proposal relating to a merger agreement under which the Company will become the dissolving company, a share exchange agreement or a share transfer plan under which the Company will become a wholly-owned subsidiary or any other organizational restructuring is approved at a General Meeting of Shareholders of the Company (or, if an approval at a General Meeting of Shareholders of the Company is not required regarding the above-mentioned organizational restructuring, then the approval by the Board of Directors of the Company), pursuant to the resolution of the Board of Directors of the Company, the restrictions on transfer, at the time prior to the effective date of such organizational restructuring, shall be removed in respect of a certain number of Allotted Shares, which has been reasonably determined, taking into consideration the period from the date of commencement of the Transfer Restriction Period until the date of the approval regarding the above-mentioned organizational restructuring.

In such cases, the Company, as a matter of course, shall acquire without consideration the Allotted Shares for which restrictions on transfer were not canceled at the point directly after restrictions on transfer were canceled based on the above provision.

(Reference)

The Company, after the conclusion of this General Meeting of Shareholders, also intends to allot restricted stock similar to the restricted stock described above to the Executive Officers of the Company who do not serve concurrently as Directors, as stock-based compensation granting restricted stock similar to those allotted to Eligible Directors.