



May 25, 2018

Company: Tamagawa Holdings, Co., Ltd.
Representative name: President, Toru Masuzawa
(JASDAQ Code: 6838)

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Notice on Change in Share Unit Number, and Share Consolidation, and Partial Amendment of the Articles of Incorporation

Please be informed as follows that we made decision on amendment in the share unit number and partial amendment of the Articles of Incorporation at the board of directors held today, and also determined to bring the discussion on share consolidation and partial amendment of the Articles of Incorporation at the 50th ordinary shareholders' meeting to be held on June 28, 2018 (hereafter "this Shareholders' Meeting").

1. Amendment of share unit number

(1) Reason for amendment

Japanese Stock Exchanges Conference announces "Plan of Conduct for Aggregation of Unit of Exchange" and aims to integrate the unit of exchange of ordinary shares of all the domestic listed companies into 100 shares before October 1, 2018.

We also respect this purpose as a company listed at Tokyo Stock Exchange and decided to amend the unit of exchange of our shares (share unit number) from current 1,000 shares to 100 shares.

(2) Content of amendment

We amend the share unit number from 1,000 shares to 100 shares.

(3) Scheduled date for amendment

October 1, 2018

(4) Conditions for amendment

Partial amendment of the Articles of Incorporation concerning this case is to be made by decision of the board of directors in accordance with the stipulation of the Companies Act, but this partial amendment of the Articles of Incorporation is subject to approval and agreement upon the following bill concerning "2. Share consolidation" as the original proposal at this Shareholders' Meeting.

2. Share consolidation

(1) Purpose of share consolidation

For changing the share unit number from 1,000 shares to 100 shares as described in above "1. Change of share unit number," in consideration of medium- to long-term share price fluctuations of our shares, we will execute share consolidation (10 shares into 1 share) in order to reach the investment unit standard (more than 50,000 yen under 500,000 yen) considered by the stock exchange as desirable.

(2) Content of share consolidation

① Share type for share consolidation: Ordinary shares

② Manner / rate of share consolidation: 10 owned shares are combined into 1 share on October 1, 2018 for the shares owned by the shareholders listed in the final shareholders' registry as of September 30, 2018 (practically as of September 28).

③ The number of shares reducing due to share consolidation

Total number of issued shares before share consolidation (as of March 31, 2018)	44,046,000 shares
The number of shares reducing due to share consolidation	39,641,400 shares
Total number of issued shares after share consolidation	4,404,600 shares

(Note) "The number of shares reducing due to share consolidation" and "total number of issued shares after share consolidation" are the theoretical values calculated based on the total number of issued shares before share consolidation and share consolidation rate.

(3) The number of shareholders reducing due to share consolidation

Composition of the shareholders based on the shareholder registry as of March 31, 2018 is as follows.

	Number of shareholders (ratio)	Number of owned shares (ratio)
Total number of shareholders	2,592 (100.0%)	44,046,000 shares (100.0%)
Under 10 shares	58 (2.2%)	138 shares (0.00%)
More than 10 shares	2,534 (97.8%)	44,045,862 shares (100%)

(Note) If share consolidation is executed based on the above composition of shareholders, the 58 shareholders (total number of owned shares: 138 shares) whose owned shares are under 10 shares will lose his/her status as shareholders after the process described in below (4). Those shareholders may also use the procedures of "Buy-out of odd-lot shares" before share consolidation comes in force. Please contact your securities company of trading, or our shareholder registry manager.

(4) Process when there is broken number under 1 share

If there is a broken number under 1 share as a result of share consolidation, it shall be disposed of in a lump sum in accordance with Article 235 of the Companies Act, and such disposition amount shall be distributed to the shareholders according to the ratio of the broken number.

(5) Total number of authorized shares as of the effective date of share consolidation

13,419,600 shares (134,196,000 shares before share consolidation)

In addition, in accordance with Article 182, Section 2 of the Companies Act, the stipulation of the Articles of Incorporation stipulating the total number of authorized shares is deemed to have been amended as described above on the effective date of the share consolidation (October 1, 2018).

(6) Conditions for share consolidation

Subject to approval and agreement upon the bill concerning the Revers Share Split as the original proposal at this Shareholders' Meeting.

3. Partial amendment of Articles of Incorporation

Subject to approval and agreement upon the bill concerning above “2. Share consolidation” as the original proposal at this Shareholders’ Meeting, our Articles of Incorporation shall be amended as follows as of October 1, 2018.

(The underlined indicates the amended part)

Current Articles of Incorporation	After amendment
(Total number of authorized shares) Article 6 The Company’s total number of authorized shares shall be <u>134,196,000 shares.</u>	(Total number of authorized shares) Article 6 The Company’s total number of authorized shares shall be <u>13,419,600 shares.</u>
(Share unit number) Article 8 The Company’s share unit number shall be <u>1,000 shares.</u>	(Share unit number) Article 8 The Company’s share unit number shall be <u>100 shares.</u>

4. Date

Decision date of board of directors: May 25, 2018

Ordinary shareholders’ meeting: June 28, 2018 (scheduled)

Final trading date with 1,000-share unit: September 25, 2018 (scheduled)

Trading starting date with 100-share unit: September 26, 2018 (scheduled)

Effective date of share consolidation: October 1, 2018 (scheduled)

Effective date of amendment of share unit number: October 1, 2018 (scheduled)

Effective date of partial amendment of Articles of Incorporation: October 1, 2018 (scheduled)

Attached document

(Reference) Questions and answers concerning the amendment of share unit number and share consolidation

Q1. What is amendment of share unit number?

A1. Change of share unit number is to amend the number of shares which are the unit of voting right at the shareholders' meeting and the unit of trading at the stock exchange. In this amendment, we will amend the share unit number from 1,000 shares to 100 shares.

Q2. What is share consolidation?

A2. Share consolidation is to combine multiple shares and make a smaller number of shares. In this amendment, we will combine 10 shares into 1 share.

Q3. What is the purpose for amendment of share unit number and share consolidation?

A3. Japanese Stock Exchanges Conference announces "Plan of Conduct for Aggregation of Unit of Exchange" and aims to integrate the unit of exchange of ordinary shares of all the domestic listed companies into 100 shares before October 1, 2018.

We also respect this purpose as a company listed at Tokyo Stock Exchange and decided to change the unit of exchange of our shares (share unit number) from current 1,000 shares to 100 shares.

Accordingly, we have decided to execute share consolidation (10 shares into 1 share) for the purpose of adjusting to the standard of investment unit considered by the stock exchange as desirable (more than 50,000 yen under 500,000 yen) in consideration of medium-term to long-term share price fluctuations concerning our shares.

Q4. What will happen to the number of owned shares and voting right of the shareholders?

A4. The number of owned shares of the shareholders after share consolidation shall be the number of owned shares recorded in the final shareholder registry as of September 30, 2018 (practically September 28) multiplied by a tenth (any broken number under 1 shall be rounded down). The number of voting rights shall be 1 per 100 owned shares after share consolidation. In specific, the number of owned shares and voting right shall be as follows before and after amendment of share unit number and share consolidation.

Example	Before it comes in force		After it comes in force		
	Number of owned shares	Number of voting rights	Number of owned shares	Number of voting rights	Odd shares
1	3,000 shares	3	300 shares	3	None
2	1,234 shares	1	123 shares	1	0.4 share
3	100 shares	0	10 shares	0	None
4	10 shares	0	1 share	0	None
5	3 shares	0	0 share	0	0.3 share

No special procedure is required for the shareholders applicable to Example 1, 3 and 4.

For the shareholders applicable to Example 2 and 5, we will dispose of all the odd shares in a lump sum in accordance with Article 235 of the Companies Act, and distribute such disposition amount to the shareholders to whom the broken number occurs. This disposition amount will be paid in late November 2018. The shareholders whose owned shares before it comes in force are under 10 shares (Example 5 above) will lose his/her status as shareholders because all the owned shares become odd shares.

We appreciate your understanding.

[Contact]

Please contact your securities company you trade with or following shareholder registry manager for any question concerning the amendment of share unit number and share consolidation.

(Shareholder registry manager)

2-8-4, Izumi, Suginami-ku, Tokyo

Sumitomo Mitsui Trust Bank, Limited, Securities Agency Division

Tel: 0120-782-031 (toll free)

Business hours: Weekdays, 9:00 to 17:00