



January 25, 2019

To whom it may concern,

Company: Tamagawa Holdings, Co., Ltd.
Representative: President, Toru Masuzawa
(JASDAQ Code: 6838)
Contact: Management Planning Division, Junya Tokumoto
Tel: 03-6435-6933

Notice Concerning Issuance of the 9th Share Acquisition Right by Third-Party Allotment

Please be informed that we have made a decision on issuance of the 9th share acquisition right by third-party allotment (hereafter “Share Acquisition Right”) at the directors’ meeting held on January 25, 2019 as follows.

1. Offering summary

(1)	Placement date	February 15, 2019
(2)	Number of stock warrants to be issued	10,600
(3)	Issue price	¥3,286,000 in total (¥310 per stock warrant)
(4)	Number of dilutive shares resulting from the issuance	1,060,000 shares (100 shares per stock warrant)
(5)	Amount of issuance proceeds	¥666,846,000 (estimated net proceeds: ¥659,246,000) Breakdown: Proceeds from stock warrant issue : ¥3,286,000 Proceeds from stock warrant exercise : ¥663,560,000 The amount of net proceeds corresponds to the sum of the aggregate paid-in purchase price of the stock warrants and the aggregate paid-in exercise price of the stock warrant assuming exercise at the initial exercise price, less the estimated miscellaneous issuance costs related to the stock warrants.
(6)	Exercise price	Exercise price: ¥626 per share
(7)	Method of placement	Allotted to the following persons by third-party allotment

	or allotment	system. Yukio Kawagoe 5,100 Marilyn Tang 5,100 PERMAN YADI 400
(8)	Other matters	Issuance of Stock Acquisition Rights shall be subject to the effective filing of a Securities Registration Statement.

Note: The Terms and Conditions of Issuance are appended at the end of this document.

2. Purpose and reason for offering

Our Group (our company and our affiliate companies) consists of our company (Tamagawa Holdings Co., Ltd.), 19 subsidiaries and 1 affiliate company, and our major businesses are the electronic and communication device business, renewable energy generation plant business (hereafter “Renewable Energy Generation Plant Business”) and renewable energy system sales business (hereafter “Renewable Energy System Sales Business”).

Among those, in the Renewable Energy System Sales Business, we mainly conduct purchase and sales activities of photovoltaic power generation facilities, and in the Renewable Energy System Sales Business, we own megasolar plant and wind power plant and sell electricity to the electricity power companies.

The photovoltaic power plants sell electricity we own sell electricity at a good rate, and also in sales by lot, etc. of the photovoltaic power generation facilities, orders continued to be expected, and the income and profit increased in the Renewable Energy Business of the 51th Term 2Q consolidated accumulation period (from April 1, 2018 to September 30, 2018) compared to the same term of the previous year. However, in the photovoltaic power generation business in which Our Group mainly developed the business, the surrounding environment has been difficult such as an impact of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Revised FIT Act) and announcement of new measures for unoperated cases of photovoltaic power generation in FIT system.

Additionally, the fixed-price purchase system of photovoltaic power generation was 40 yen/kWh in 2012, but it decreased to 18 yen/kWh in 2018, which has made difficult for us to secure high business value.

Therefore, we have been focusing on the wind power generation business as the next pillar of the photovoltaic power generation business.

As our management policy, in the Renewable Energy System Sales Business, we will hereafter also focus on sales of power generation system of wind power, etc., using other renewable energy than photovoltaic power generation, and are continuously aiming for acquirement of profit by organizing the company structure and further enhancing the sales activities in order to expand its sales channel all over Japan. In the Renewable Energy Generation Business, we will also proceed with further construction by organizing the constant management structure from securement of land for generation plants to commencement of power selling to electric power companies in order to further promote development of the photovoltaic power plants and wind

power plants closely based on the communities.

Under such management policy, we have decided to be engaged in development of a small wind power plant as the next pillar of clean energy by using knowhow, etc. built in the photovoltaic power generation on a full scale. Compared with photovoltaic power generation, wind power can be generated even in the nighttime as long as wind blows, and therefore the capacity factor is high, and we consider that high business value can be secured by selecting the place with good wind condition.

As a part of the effort based on the above management policy, we have made the following announcement concerning the small wind power plant.

- ① As informed in the “Notice on the New Product (Small Wind Power Generation Facilities) in the Renewable Energy System Sales Business” dated February 1, 2016, we constructed and came to own one (1) small wind power generation facility (power output: 19.5Kw) in the redundant premise of Tateyama City Megasolar Power Plant (power output: approx. 2,000Kw) owned by Our Group. It is the small wind power plant for our tests.
- ② As informed in the “Notice on Acquisition of Power Selling Right Concerning Small Wind Power Generation Business” dated February 23, 2018, we acquired power selling right for 50 places (the fixed purchase value is 55 yen/kWh) and are preparing for construction of small wind power plants in sequence in order to conduct small wind power generation business in Tohoku area and Hokkaido area.
- ③ As informed in the “Notice on Commencement of Electric Power Selling by Small Wind Power Plant in Oma-machi, Shimokita-gun, Aomori Pref.” dated April 23, 2018, our subsidiary GP Energy 3, Co., Ltd. installed a small wind power plant with system interconnection completed on April 20, power selling has been started.
- ④ As informed in the “Notice on Commencement of Small Wind Power Generation Business by SPC Scheme” dated June 25, our subsidiary GP Energy D, Co., Ltd., in cooperation with AURA-Green Energy (hereafter “AURA-Green Energy”) who owns the power selling right (the fixed purchase value is 55 yen/kWh), constructs a small wind power plant by receiving investment from us and AURA-Green Energy and also by procuring fund through loan to purchase the power selling right and construct a small wind power plant for power selling. At the time of disclosure, due to the sales strategy of AURA-Green Energy, we did not announce its name according to its request, but AURA-Green Energy and Our Company met around July 2016 in the course of discussion of sales transaction when Our Group was looking for the property for the photovoltaic power plant in the area of the photovoltaic power plant in Misawa City, Aomori Pref. which is owned by Our Group, Mr. Yukio Kawagoe, the president of AURA-Green Energy in the same area owned a photovoltaic power plant under the corporate name and had intention to sell such photovoltaic power plant (we did not reach sales transaction of such photovoltaic power plant).
- ⑤ As informed in the “Notice on Acquisition of the Fixed Asset (Small Wind Power Plant)

by Conclusion of Installment-sales Agreement” dated July 23, 2018, our subsidiary, GP Energy C, LLC entered into an installment-sales agreement in order to acquire four (4) units of small wind plants of 19.8 kW of power in Aomori Prefecture. These small wind power plants are totally four (4) units; three among the power selling right of 50 areas and one which had been independently acquired, and the fixed purchase value for 20 years of all the four (4) is 55 yen/kWh.

- ⑥ As informed in the “Notice on Commencement of Power Selling of Two Units of Small Wind Power Plants in Shimokita-gun, Aomori Pref.” dated December 28, 2018, power selling started at two units of small wind power plants (power output: 19.8kW per unit) installed in Shimokita-gun, Aomori Pref. among four (4) units of small wind power plants listed in above ⑤.

However, although we began to be engaged in development of small wind power plants on a full scale, the fixed-price purchase system of small wind power reduced from the previous amount of 55 yen/kWh down to 20 yen/kWh in 2018, which has made small wind power plants seem as premium facilities.

On the other hand, AURA-Green Energy has been mainly engaged in the renewable energy generation business (especially small wind power plants) since its foundation in October 2015, and has secured the power selling right and land-use right of approximately 500 areas where the fixed purchase value of operation of small wind power generation is 55 yen/kWh in Hokkaido and Aomori Prefecture.

Under such circumstances, we purchased small wind power plants from AURA-Green Energy since October 2017 and has the need to actively aim for early acquirement of our own wind power plants of 55 yen/kWh since around May 2018, and provide that the Share Acquisition Right is allotted and the financial institution such as lease company, etc. is designated by us upon negotiation, Toru Masuzawa, the president of Our Company finally made a proposal to Mr. Yukio Kawagoe, the president of AURA-Green Energy on development of small wind power plants under co-ownership.

AURA-Green Energy accepted such proposal due to the reasons that there is the need to actively acquire our own wind power plants of 55 yen /kWh soon, that AURA-Green Energy’s management performance and financial status are in the deficit balance in sales in FY August 2016 and FY August 2017 since it focused on proceeding of acquirement of power selling right since its foundation year of FY August 2016, and that is net asset has been excessive debt in the latest two terms, under the conditions that we procure the fund by engaging in negotiation with the financial institution such as lease company, etc. for procurement of the fund required for installation of a small wind power generation facilities, and that we allot the Share Acquisition Right to Mr. Yukio Kawagoe, the president of AURA-Green Energy.

As a result, upon consultation proposed by us to AURA-Green Energy on the operation of the wind power plant together between us and AURA-Green Energy, in order to conduct the approach of above ④, accelerate increase of the number of small wind power plant units to be constructed

and enhance assurance of contracts, we have entered a memorandum concerning business cooperation for wind power plant business (hereafter “Memorandum”) and determined to allot Share Acquisition Right.

AURA-Green Energy has acquired many wind power properties in the area of good wind condition based on the wind condition data, etc. of New Energy and Industrial Technology Development Organization (NEDO), and therefore, it is considered that installing wind power generation facilities in cooperation based on the achievement data, etc. of the neighborhood of such area shall contribute as profit in the future although it may be diluted due to exercise of the Share Acquisition Right.

We have decided that we can conduct small wind power generation business with profitability provided that ① we found one subsidiary company (hereafter “SPC”) to operate the same power plant business in principle for every few small wind power plant units (the number of units to be determined upon consultation with the financial institution such as lease company, etc.), ② SPC procures the fund by investment in the range from 20% to 40% among the total investment amount for the small wind power plant business (the investment money shall be shared between us and AURA-Green Energy), and procures the remaining of the total investment amount (80%~60%) by loan from the financial institution such as lease company, etc. (the ratio of investment and loan among the total investment amount may be different by SPC upon consultation with the loan provider), ③ SPC purchases the power selling right of the wind power generation owned by AURA-Green Energy (the price of power selling right shall be adjusted and determined so that it can achieve the total investment amount and profit consistent with the profit goal plan determined between the both companies in the form of co-investment with AURA-Green Energy), constructs a small wind power plant and conducts power selling business.

Therefore, on January 25, 2019, we as follows came to enter into the Memorandum with AURA-Green Energy, which describes assignment of the right concerning power selling of the small wind power plant owned by AURA-Green Energy and issuance of part of the Share Acquisition Right to Mr. Yukio Kawagoe, the representative of AURA-Green Energy in order to procure co-investment to SPC and part of SPC investment.

(AURA-Green Energy’s responsibilities)

- ① To assign the land used for power selling right and business of wind power generation to SPC which we organize or found (however, in the case that AURA-Green Energy has already established the leasehold right or surface right, it shall assign the leasehold right or surface right to SPC). To adjust and determine the price of power selling right so that it can achieve the total investment amount and profit consistent with the profit goal plan determined between the both companies in the form of co-investment with AURA-Green Energy.
- ② To invest 50% of the investment part determined as 20%~40% (depending on the property) of the total investment amount by SPC for wind power generation (remaining amount of the total investment amount shall be procured by debt such as loan, etc.).
- ③ To aim for commencement of power selling at 150 places of wind power generation in

three years from the Memorandum date.

(Our Company's responsibilities)

- ① To issue the Share Acquisition Right for Mr. Yukio Kawagoe, the president of AURA-Green Energy with the conditions of payment of issuance price.
- ② To invest 50% of the investment part of above SPC.
- ③ To bear the responsibility for effort of procurement by debt such as loan, etc. of the total investment amount.
- ④ To aim for commencement of power selling at 150 places of wind power generation in three years from the Memorandum date.

We consider Mr. Yukio Kawagoe as the person to whom a part of the Share Acquisition Right will be allotted according to his request, because there is no problem in the joint business with AURA-Green Energy whether AURA-Green Energy or Mr. Yukio Kawagoe, who is 100% shareholder and the representative thereof is to be allotted with the Share Acquisition Right on AURA-Green Energy side since the Share Acquisition Right shall be issued for the purpose of fund procurement concerning the joint business of the small wind power plants with AURA-Green Energy hereunder.

Additionally, in consideration of the Memorandum, since the fund of the part borne by us necessary for the small wind power plant business conducted with AURA-Green Energy exceeds the fund to be contributed by Mr. Yukio Kawagoe, besides him, we have decided to issue the Share Acquisition Right by third-party allotment for Ms. Marilyn Tang (who contributed the fund to new shares (issuance price: 99.97 mil. yen) and share acquisition right (issuance price: 18 mil. yen; exercise price: 300 mil. yen) issued by us on January 30, 2013 and new shares (issuance price: 99 mil. yen) issued by us on March 13, 2018) and Mr. PERMAN YADI (who contributed the fund to the new shares (issuance price: 11.7 mil. yen) and share acquisition right (issuance price: 18 mil. yen; exercise price: 300 mil. yen) issued by us on January 30, 2013), who are the persons allotted with the share acquisition right issued by us on January 30, 2013, and who are also the friends of Toru Masuzawa, the president of Our Company, and who agreed to our policy of renewable energy business.

Then we have decided to appropriate to installation of the wind power plants by contributing the procured fund by issuance and exercise of the Share Acquisition Right by investment to our subsidiary.

In the event that our share price does not exceed the exercise price of the Share Acquisition Right and it is not exercised resulting failure of fund procurement, we will proceed with construction of the small wind power plants as long as we have available fund by loan from financial institution, etc. or sales of the fund owned by us. We believe proceeding with this construction as much as possible will contribute as profit in the future. In the event that there is no available fund and our share price does not exceed the exercise price of the Share Acquisition Right and it is not exercised resulting failure of fund procurement, we will not be able to appropriate to SPC investment, then we will not be able to construct the small wind power plants (however, if the Share Acquisition Rights is not exercised, the shares shall not be diluted.).

3. Amount of the procured fund, purpose and scheduled time for expenditure

(1) Amount of the procured fund

①	Fund procured for Share Acquisition Right	666,846,000 yen
	Total amount paid for Share Acquisition Right	3,286,000 yen
	Total amount of exercise price of Share Acquisition Right	663,560,000 yen
②	Rough estimate amount of issuance expenses	7,600,000 yen
③	Rough estimate amount of actual income after deduction	659,246,000 yen

(Note) 1. The above rough estimate amount of actual income after deduction shall be the amount calculated by deducting the rough estimate amount of issuance expenses for the Share Acquisition Right from the total amount of the total paid amount of the Share Acquisition Right and the total amount of the property value invested exercise of the Share for Acquisition Right.

2. Consumption tax, etc. is not included in the rough estimate of the expenses for issuance.
3. The rough estimate of the expenses for issuance shall be the total amount of the registration license tax, attorney's fee, value calculation cost, etc. of share acquisition right.
4. In the case that the Share Acquisition Right is not exercised within the exercise period of the Share Acquisition Right, or that we retire the acquired Share Acquisition Right, the procured fund, issuance expenses and rough estimate amount of actual income after deduction shall be reduced.

(2) Specific purpose of the procured fund

Specific purpose	amount	Scheduled time for expenditure
Investment money to our subsidiary who construct small wind power plants and conducts power selling business (our subsidiary shall appropriate the investment money to acquirement of rights to, and construction of the small wind power plants.) Our subsidiary will be founded for every few small wind power plants in principle, and 91~183 new small wind power plants are expected at this point.	659,246,000 yen	From Feb 19, 2019 to end-Feb, 2022

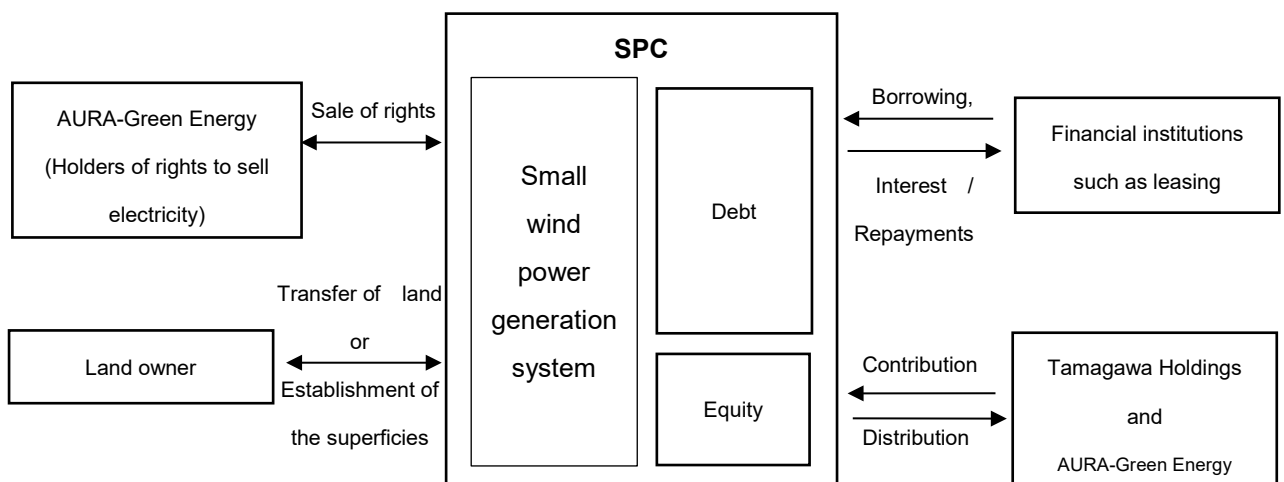
Specific purpose	amount	Scheduled time for expenditure
Also see (ii) below for detail		
Total	659,246,000 yen	—

- (i) The procured fund shall be managed in the bank account until actual expenditure.
- (ii) We are planning that ① we will found a subsidiary which operates the small wind power generation business (hereafter “SPC”) (planning with multiple small wind power plants for 1 SPC) (small wind power plants shall be to be owned for medium- and long-term in principle; as for sales, in consideration of the market situation, etc., we will determine upon consultation with AURA-Green Energy on sales and various conditions wait for the timing when we can sell at high rate. Therefore, there is no specific sales standard, etc. determined at this point. The reason to install one SPC for multiple small wind power plants in principle is because it is possible to make a loan with the financial institution such as lease company, etc. for multiple units (we consider a loan agreement per unit with the financial institution such as lease company, etc.) since loan amount per small wind power unit is small compared with megasolar of photovoltaic power plants, and although we are considering medium- and long-term owning in principle, it is assumed to be easier to sell because it will be sold with SPC shares, ② SPC shall procure the fund by investment within the range from 20% to 40% among the total investment amount concerning the small wind power plants (the investment money shall be shared by us and AURA-Green Energy) and shall procure the remaining part of the total investment amount (80%~60%) by loan from the financial institution such as lease company, etc. (consultation shall be held with the financial institution such as lease company, etc. for every wind power generation facilities and a loan agreement shall be made for every wind power generation facilities; the loan period shall be different depending on the financial institution such as lease company, etc., but we consider 15 years.) (ratio of investment and loan among the total investment amount shall be different by SPC upon consultation with the loan providers.), ③ SPC shall purchase land from the land owner or assign the leasehold right or surface right already established by AURA-Green Energy (the leasehold right fee or surface right fee shall be paid in a lump sum or each year), ④ SPC shall construct multiple small wind power plants and conduct power selling business in principle after purchasing the power selling right for wind power generation owned by AURA-Green Energy, ⑤ the loan from SPC’s financial institution such as lease company, etc. shall be repaid by profit from power selling, and ⑥ distribution shall be made from SPC to us and AURA-Green Energy. Construction cost (including power selling right fee) per small wind power plant is expected to be 35,964,000 yen with consumption tax.
- With these preconditions, SPC is considering procuring the total investment amount from investment and loan. As for the ratio of this investment, although the loan amount may differ upon consultation with the financial institution such as lease company, etc. who provides the loan depending of the case of small wind power plant construction, financial institutions such as lease companies, etc. normally require about 20% of own fund. At this

point, the ratio of investment is expected to be the range from 20% to 40%. If the procurement ratio by investment among the total investment amount of SPC is all 20% (7,192,800 yen), a half of it, which is 10% and 3,596,400 yen shall be our investment amount, and when the rough estimate amount of actual income is deducted by such investment amount, 183 wind power plants can be constructed. And if the procurement ratio by investment among the total investment amount of SPC is all 40% (14,385,600 yen), a half of it, which is 20% and 7,192,800 yen shall be our investment amount, and when the rough estimate amount of actual income is deducted by such investment amount, 91 wind power plants can be constructed. In this way, since the number of small wind power plants currently expected to be installed shall change according to the ratio of procurement by investment and loan, etc. among the total investment amount of SPC who owns the small wind power plants, and therefore, if the ratio of procurement by loan, etc. is less than expected, the ratio of investment to construct one unit increases, and accordingly the number of units to be constructed may reduce.

The above expectation is made by considering the construction price per small wind power plant at this point as 35,964,000 yen with consumption tax, but due to increase of construction fee per unit by increase of consumption tax and runup of construction price, etc., the number of units to be constructed may be fewer than 91 units. Installation of a small wind power plant may be delayed due to delay of carry-in of members for wind power generation facilities, or delay of construction due to inability to arrange the construction company.

SPC, which owns a small wind power plant, is expected to be jointly invested by The Company and AURA-Green Energy. The following schemes are generally assumed to be used for operations centered on SPC.



(iii) The following figures are used for reference purposes, and the estimated values per unit are shown below.

① The amount of construction per unit (including the price of power sales rights; excluding the price of land acquisition, rent, or superficies right)	33,300,000 yen (including tax 35,964,000 yen)
② Power generation output (AC base)	About 20 KW
③ Estimated amount of electricity generated (1 year)	85,600kWh
④ Estimated sales revenue (1 year)	4,708,000 yen
⑤ Time of completion (scheduled)	Ongoing from around May 2019
⑥ Simple yields on equity investments (20-year average)	About 13%
⑦ Net operating income (NOI) (20-year average)	About 9 %

* The above SPC will be jointly invested by the Company and the AURA-Green Energy, and the profit distribution will also be shared equally.

* The above figures (3), (4), (6), and (7) are calculated on the assumption that the annual average wind speed is 6 m/s or more (the annual average wind speed is assumed to be 6 m/s or more in view of the Company earnings target (the annual average wind speed is assumed to be 6 m/s or more) and the installation site is also aimed at wind speed of 6 m/s or more. AURA-Green Energy has acquired wind power projects in the wind conditions in the areas with strong wind conditions based on the wind conditions data of the New Energy and Industrial Technology Development Organization (NEDO), etc. of the National Research and Development Corporation. The Company also checks wind conditions data of the New Energy and Industrial Technology Development Organization (NEDO), etc. of the area), and believes that the wind velocity of 6 m/s or more is highly feasible. However, the wind velocity of 6 m/s or more is not guaranteed by contract, etc. Therefore, if the annual average wind velocity is below this target, the assumed power generation volume and expected electricity sales revenue are generated. Simple yields and net operating income ratios decrease.

* Fixed feed-in prices are calculated on the assumption of 55 yen/kWh in The Company's current business plans for the figures in (4), (6), (7) and (7) above. In This memorandum, the feed-in tariff for wind power generation owned by AURA-Green Energy and transferred to SPC is 55 yen/kWh or 20 yen/kWh. The Company will focus on projects with a fixed purchase price of ¥55/kWh. For projects with a fixed purchase price of ¥20/kWh, it will take measures if it can select projects with the same profitability as projects with a fixed purchase price of ¥55/kWh (the assumed value per unit (6) simple yield on investment, and (7) net operating profit margin, etc.) by linking small wind generators with 75 KW specifications and using a storage battery with a low pressure of 50 KW. The number and percentage of fixed purchase prices of 55 yen/kWh and 20 yen/kWh have not been decided between The Company and AURA-Green Energy at this time, but the Company is currently planning to promote a fixed purchase price of 55 yen/kWh.

In addition, in the event of a change in the system and a reduction in the fixed purchase price, the expected sales revenue, simple yield, and the net operating income ratio will decline.

(iv) If the purchase option is not exercised in whole or in part, it will be invested in the SPC with cash on hand if the cash and cash equivalents of the Company are available, but the construction of a small wind power plant will not be completed in whole or in part. The amount to be paid in The purchase option will be used for the issuance costs of the purchase option.

4. Concept of the rationality of the use of funds

By allocating funds to SPC investments held by small-scale wind power plants over a three-year period through the exercise of The purchase option by The purchase option issuers and parties scheduled to be allocated, we will be able to further strengthen our financial position and establish a stable and robust management base, which will lead to the achievement of business growth and the improvement of our financial position. We believe this will be reasonable for The Company's management.

5. Principal share holders and Percentage of total shares issued

Prior to Subscription (as of September 30, 2018)		After Subscription	
Marilyn Tang	12.3	Marilyn Tang	19.3
BNP Paribas Securities Services Singapore/Jasdec/UOB Kay Hian Private Limited			
(Standing Proxy: Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch, Custody and Clearing)	5.36	Yukio Kawagoe	9.33
		BNP Paribas Securities Services Singapore/Jasdec/UOB Kay Hian Private Limited	
JAPAN SECURITIES FINANCE CO.,LTD.	4.94	(Standing Proxy: Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch, Custody and Clearing)	4.32
Hiromasa Shimanuki	4.52	JAPAN SECURITIES FINANCE CO.,LTD.	3.98
Toru Masuzawa	4.12	Hiromasa Shimanuki	3.64
Sadamu Kubota	2.27	Toru Masuzawa	3.32
Yuichi Sunaga	1.31	Sadamu Kubota	1.83
Sekito Su	1.14	Yuichi Sunaga	1.05

Hideto Komai	1.12	Sekito Su	0.92
--------------	------	-----------	------

Note: 1. Major shareholders and shareholding ratio prior to the offering are based on the register of shareholders as of September 30, 2018.

2. As of October 1, 2018, each share is consolidated at the ratio of one share per 10 shares recorded in the register of shareholders at the end of September 30, 2018 (effectively September 28, 2018).

3. The number of shares held after the allotment and the percentage of voting rights held to the total number of voting rights after the allotment are calculated by adding the number of voting rights to the total number of voting rights (43,424 units) as of September 30, 2018, and the number of voting rights to be increased by the issuance of new shares (10,600 units) on the assumption that all of the subscription rights to shares through the third-party allotment will be exercised.

4. The above percentages are calculated by rounding to the nearest first decimal place.

(Exhibit) Requirements for issuance

Tamagawa Holdings, Co., Ltd.

Requirements for the 9th Share Acquisition Right Issuance

1. Name of share acquisition right: Tamagawa Holdings, Co., Ltd. (hereafter "Company") The 9th Share Acquisition Right (hereafter "Share Acquisition Right")

2. Total amount of payment for the Share Acquisition Right: 3,286,000 yen

3. Application due date: February 12-14, 2019

4. Allotment date and payment due date: February 15, 2019

5. Method of offering and allotted to: Allotted to the following persons by third-party allotment system.

Yukio Kawagoe: 5,100 units

Marilyn Tang: 5,100 units

PERMAN YADI: 400 units

6. Type and number of shares to be acquired upon exercise of the Share Acquisition Right

(1) Type and total number of shares subject to be acquired upon exercise of the Share Acquisition Right shall be 1,060,000 of Our Company's ordinary shares (the number of shares to be acquired upon exercise per the Share Acquisition Right (hereafter "Number of Allotted Shares) shall be 100 of Our Company's ordinary shares). However, if the number of allotted shares is adjusted by (2) and (3) of this section, the total number of shares to be acquired upon exercise of the Share Acquisition Right shall be adjusted in accordance with the number of allotted shares after adjustment.

(2) When we adjust the exercise price (defined in Section 9 (2)) in accordance with Section 10, the number of allotted shares shall be adjusted by the following formula. However, any fractional number less than one share occurring due to adjustment shall be rounded off. The exercise price before adjustment and exercise price after adjustment in such formula shall be the exercise price before adjustment and exercise price after adjustment stipulated in Section 10.

$$\begin{array}{r} \text{Number of allotted} \\ \text{shares after} \\ \text{adjustment} \end{array} = \frac{\begin{array}{r} \text{Number of allotted} \\ \text{shares before} \\ \text{adjustment} \end{array} \times \begin{array}{r} \text{Exercise price before} \\ \text{adjustment} \end{array}}{\begin{array}{r} \text{Exercise price after} \\ \text{adjustment} \end{array}}$$

(3) Application day of the number of allotted shares after adjustment shall be the same day as the day when the exercise price after adjustment stipulated in each of Section 10 (2) and (5) is applied to adjustment of exercise price by Section 10 (2) and (5) concerning the

reason for such adjustment.

- (4) When adjusting the number of allotted shares, we shall notify the Share Acquisition Right holders in writing of such adjustment and the reason thereof, the number of allotted shares before adjustment, the number of allotted shares after adjustment and the date when such application begins, and other necessary matters by the day before the date of application commencement of the number of allotted shares after adjusted. However, in the event that the above notification cannot be made by the day before application commencement, it shall be made immediately after commencement of application.

7. Total number of Share Acquisition Rights: 10,600 units

8. Amount to be paid per Share Acquisition Right: 310 yen

9. Value of property invested for exercise of Share Acquisition Right

- (1) The property to be invested for exercise of Share Acquisition Right shall be money, and such value shall be calculated by multiplying the exercise price by the number of allotted shares.
- (2) Value of the property to be invested per share in the case that we issue our ordinary share by exercising the Share Acquisition Right (hereafter "Exercise Price") shall be 626 yen. However, the Exercise Price shall be adjusted in accordance with Section 10.

10. Adjustment of Exercise Price

- (1) In the case that there will be, or will be possibly change in the number of our ordinary shares due to the reasons in (2) of this section after issuance of the Share Acquisition Right, the Exercise Price shall be adjusted by the formula stipulated in the following (hereafter "Formula of Exercise Price Adjustment") (Exercise Price after adjustment shall be "Exercise Price After Adjustment" and Exercise Price before adjustment shall be "Exercise Price Before Adjustment" hereafter).

$$\begin{array}{r} \text{Exercise} \\ \text{Price After} \\ \text{Adjustme} \\ \text{nt} \end{array} = \begin{array}{r} \text{Exercise} \\ \text{Price} \\ \text{Before} \\ \text{Adjustme} \\ \text{nt} \end{array} \times \begin{array}{r} \text{Numb} \\ \text{er of} \\ \text{issued} \\ \text{shares} \end{array} + \frac{\begin{array}{r} \text{Number of} \\ \text{shares newly} \\ \text{issued} \\ \text{disposed of} \end{array}}{\begin{array}{r} \text{Market price per share} \end{array}} \times \begin{array}{r} \text{Amount paid} \\ \text{per share} \end{array}$$
$$\frac{\text{Exercise Price Before Adjustment} \times \text{Number of outstanding shares} + \text{Exercise Price Before Adjustment} \times \text{Number of shares newly issued / disposed of}}{\text{Market price per share}}$$

- (2) The following stipulations must be complied with for the case of Exercise Price adjustment by the Formula of Exercise Price Adjustment and time of application of Exercise Price After Adjustment.

- ① In the case of newly issuing our ordinary shares for the paid amount below the market price stipulated in (4) ② of this section, or disposing of our ordinary shares owned by

us (except for the securities acquired by us in exchange of issuance of our ordinary shares, or the securities which may be claimed for acquirement against us, or the share acquisition right with which our ordinary shares may be claimed (including the one granted to the corporate bond with share acquisition right), or the case by acquirement, conversion or exercise of other securities or rights).

Exercise Price After Adjustment shall be applied after the following day of the payment due date (the final day if the payment period is determined for offering; the same hereafter), or after the following day of the record date for offering if any.

② In the case of share splitting or gratis allotment of our ordinary shares

Exercise Price After Adjustment shall be applied after the following day of the record date for splitting or gratis allotment of such shares (effective date of such allotment if there is no record date for gratis allotment).

③ In the case of issuing the securities acquired by us in exchange of issuance of our ordinary shares for the paid amount below the market price stipulated in (4) ② of this section, or the securities which can be claimed for acquirement against us (including the case of gratis allotment), or in the case of issuing the share acquisition right or corporate bond with the share acquisition right with which issuance of our ordinary share can be claimed, or other securities or right (including the case of gratis allotment), (except for, however, the case of issuing the share acquisition right as stock option for our directors and employees, directors and employees of our subsidiaries, and external cooperators under determination of our board of directors).

Exercise Price After Adjustment shall be calculated by applying the Formula of Exercise Price Adjustment by considering that our ordinary shares are issued with all of the issued securities, share acquisition right or rights acquired for the initial acquirement price or exercised for the initial exercise price, and shall be applied after the following day of the payment due date of such securities or right, or the allotment date of the share acquisition right (including the one granted to the corporate bond with the share acquisition right), or after the following day of the record date for offering or gratis allotment if any.

(3) If the difference between Exercise Price After Adjustment and Exercise Price Before Adjustment calculated by the Formula of Exercise Price Adjustment remains less than one yen, Exercise Price Adjustment shall not be done. However, if there is any reason requiring Exercise Price Adjustment thereafter, and Exercise Price is calculated, the amount calculated by deducting this difference from Exercise Price Before Adjustment in place of Exercise Price Before Adjustment in the Formula of Exercise Price Adjustment.

(4) ① For calculation of Formula of Exercise Price Adjustment, it shall be calculated to two places of decimals for the amount less than one yen, and cut off to the first decimal place.

② The market price used for the Formula of Exercise Price Adjustment shall be the simple average value of the closing price in the regular transaction of our ordinary shares

in JASDAQ Market of Tokyo Stock Exchange, Inc., on the 30th transaction day (except for the day without the closing price) starting on the 45th day prior to the day when Exercise Price After Adjustment is applied for the first time. In this case, the simple average value shall be calculated to two places of decimals for the amount less than one yen, and cut off to the first decimal place.

- ③ The number of issued shares used for the Formula of Exercise Price Adjustment shall be the number calculated by deducting the number of our ordinary shares from our issued ordinary shares of the record date when the right to receive allotment is given to the shareholders if any, or if not, the day one (1) month before the day when Exercise Price After Adjustment is applied for the first time.
- (5) We shall make necessary adjustment of Exercise Price in the following cases beside the cases where Exercise Price Adjustment is required in (2) of this section.
- ① When Exercise Price Adjustment is necessary due to merger of shares, reduction of capital, company split, share transfer, share exchange or merger.
 - ② When Exercise Price Adjustment is necessary due to occurrence of the reasons of change or possible change in the number of our issued ordinary shares.
 - ③ In the case that multiple reasons for Exercise Price Adjustment closely occur and it is necessary to consider an impact of the other reason for the market price to be used for calculation of Exercise Price After Adjustment based on one reason.
- (6) In the case of making Exercise Price Adjustment, we shall notify the Share Acquisition Right holders in writing of such adjustment, the reason thereof, Exercise Price Before Adjustment, Exercise Price After Adjustment and such application commencement date and other necessary matters. However, in the event that the above notification cannot be made, it shall be made immediately after the application commencement date.

11. Exercise period of the Share Acquisition Right

From February 19, 2019 to February 18, 2022. In the case that the final day of the exercise period is not a business day, the final day shall be the previous business day. However, exercise may not be claimed for the following period.

- ① The period between three business days (not holiday, etc. of the transfer institution; the same hereafter) prior to the date of fixedness of shareholders for our ordinary shares (stipulated in “Work Rules Concerning Book-Entry Transfer of Shares, etc.” of Japan Securities Depository Center, Inc.) and the date of fixedness of shareholders
- ② The day when the transfer institution considers it as necessary to suspend exercise of the Share Acquisition Right
- ③ The period when we suspend the claim for exercise (less than one month) in the case that suspension of exercise of the Share Acquisition Right is necessary for Reorganization Action stipulated in Section 14, and such period of which such necessary matters are notified to the Share Acquisition Right holder by one (1) month prior to the starting of such period.

12. Other conditions for exercise of Share Acquisition Right

The Share Acquisition Right shall not be exercised partially.

13. Acquirement clause

- (a) If determined by our board of directors, we may acquire all or part of the remaining Share Acquisition Right by making payment for the amount equivalent to the amount to be paid for the Share Acquisition Right on the acquirement date after making a notification or public announcement by two (2) weeks before such acquirement date stipulated by our board of directors after the following day of the payment due date of the Share Acquisition Right in accordance with Article 273, Section 2 of the Companies Act (Article 273, Section 2 and Article 274, Section 3 thereof if acquiring part of the remaining Share Acquisition Right).
- (b) If the closing price of the regular transaction for our ordinary shares in JASDAQ Market of Tokyo Stock Exchange, Inc. becomes more than 250% of the initial Exercise Price, we shall acquire all remaining Share Acquisition Right at the time by making payment for the amount equivalent to the amount to be paid for the Share Acquisition Right after the following day of such date.

14. Issuance of share acquisition right by Reorganization Action

In the event of absorption merger where Our Company becomes the consolidated company, merger by incorporating a new company where Our Company becomes the consolidated company, absorption-type company split where Our Company becomes the splitting company, incorporation-type company split where Our Company becomes the splitting company, share exchange where Our Company becomes the wholly owned subsidiary company, or share transfer where Our Company becomes the wholly owned subsidiary company (hereafter collectively "Reorganization Action"), in place of the Share Acquisition Right remaining immediately before the effective date of such Reorganization Action, the surviving company in absorption merger, the newly incorporated company by merger, the succeeding company in absorption-type company split, newly incorporated company in incorporation-type company split, the wholly owning parent company by share exchange or the wholly owning parent company by share transfer (hereafter collectively "Reorganizing Party") shall newly issues the share acquisition right to the share acquisition right holders concerning the Share Acquisition Right.

(1) Number of share acquisition right which shall be newly issued

To be reasonably adjusted in consideration of the conditions of Reorganization Action based on the number of Share Acquisition Rights owned by the share acquisition right holders.

Any fractional number less than one after adjustment shall be cut off.

(2) Type of shares to be acquired through exercise of newly issued Share Acquisition Right

The same type of shares as the Reorganizing Party

- (3) Calculation method of the number of shares to be acquired through exercise of newly issued share acquisition right

To be reasonably adjusted in consideration of the conditions of Reorganization Action.

Any fractional number less than one share after adjustment shall be rounded up.

- (4) Value of property invested for exercise of newly issued share acquisition right

To be reasonably adjusted in consideration of the conditions of Reorganization Action.

Any fractional number less than one yen after adjustment shall be rounded up.

- (5) Capital and capital reserve which increase in the case of issuance of shares by issuance of share acquisition right, non-issuance of certificate of share acquisition right and exercise of such share acquisition right for exercise period, conditions for exercise, acquirement clause, Reorganization Action for the newly issued share acquisition right
Shall be determined in the case of Reorganization Action in accordance with Section 11 through 14, Section 16 and Section 17.

- (6) Restriction of acquirement of newly issued share acquisition right by assignment

Approval by the Reorganizing Party shall be required for acquirement of the newly issued share acquisition right by assignment

15. Restriction of assignment of share acquisition right

Approval of the Company's Board of Directors shall be required for assignment of the Share Acquisition Right.

16. Non-issuance of certificate of share acquisition right

The Company shall not issue the certificate of the Share Acquisition Right concerning the Share Acquisition Right.

17. Capital and capital reserve that increase in the case of issuing shares by exercise of share acquisition right

Amount of the capital which increases in the case of issuing our ordinary shares by exercise of Share Acquisition Right shall be a half of the limited amount of capital increase, etc. calculated in accordance with Article 17, Section 1 of the Ordinance on Company Accounting (any fractional number less than one yen after calculation shall be rounded up), and the increasing capital reserve shall be the amount calculated by deducting the increasing capital amount from such limited amount of capital increase.

18. Method to claim exercise of share acquisition right

- (1) The Share Acquisition Right holder who intends to claim exercise of the Share Acquisition Right shall describe his/her or its name and address, the code of the account opened for him/herself or itself for transfer of our ordinary shares (except for the special account stipulated in Article 131, Section 3 of the Act on Book Entry of Corporate Bonds and Shares

(hereafter “Book-Entry Transfer Act”) and other necessary matters, by placing his/her or its name and seal there on, shall submit to the place accepting the claim for exercise listed in Section 20 within the exercise period stipulated in Section 11, and shall transfer the amount calculated by multiplying the number of the Share Acquisition Rights subject to such claim for exercise by the Exercise Price (hereafter “Total Amount of Investment”) in cash to the account designated by us in the place dealing with payment stipulated in Section 21 (hereafter “Designated Account”).

- (2) Those who claimed for exercise in accordance with this section cannot retract such claim thereafter.
- (3) Effect of claim for exercise of the Share Acquisition Right shall be in force on the day when the claim for exercise of the Share Acquisition Right for such claim for exercise is handled provided that the document required for claim for exercise reaches the place accepting claim for exercise and also the Total Amount of Investment for exercise of such Share Acquisition Right is paid in to the Designated Account.

19. Issuance of shares

We shall notify the transfer institution of newly recorded information of our ordinary shares issued by exercise of the Share Acquisition Right in accordance with Article 130, Section 1 of the Book-Entry Transfer Act immediately after enforcement of claim for exercise of such Share Acquisition Right.

20. Contact of claim for exercise

Tamagawa Holding Co., Ltd., Management Planning Department

21. Bank for payment

Resona Bank, Shintoshin banking department

22. Miscellaneous

- (1) We may take necessary measures in the event that we need revision, etc. of the Companies Act and other laws, or change of interpretation of stipulation in these requirements, and other measures.
- (2) Besides the above, determination of matters required for issuance of the Share Acquisition Right shall be entrusted to our president.
- (3) Issuance of the Share Acquisition Right shall require enforcement of notification under the Financial Instruments and Exchange Act.