

Disclaimer:

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August 14, 2017

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Representative: Yasushi Kobayashi, President, CEO
Securities code: 3135, Tokyo Stock Exchange Mothers
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Notice of Issuance of Stock Acquisition Rights Using a Third-party Allotment and Establishment of a Trust for Stock Acquisition Rights Issued at the Market Price

The Board of Directors of MarketEnterprise Co., Ltd. approved a resolution on August 14, 2017 to issue the stock acquisition rights No. 7 and No. 8 (the "Stock Options") for distribution through a third-party allotment and to establish a trust for stock acquisition rights issued at the market price (the "Stock Option Trust") for use as an incentive plan (the "Incentive Plan").

The Stock Option Trust is a new incentive program that operates by having the trustee hold stock options issued at the market price for subsequent distribution to trust beneficiaries who fulfill the required conditions as of a designated date.

1. Outline of offering

(1)	Allotment date	August 30, 2017
(2)	Number of the Stock Options to be issued	Stock acquisition rights No. 7: 2,000 Stock acquisition rights No. 8: 1,200
(3)	Issue price	Stock acquisition rights No. 7: 1,200,000 yen (600 yen per stock option) Stock acquisition rights No. 8: 120,000 yen (100 yen per stock option) Total amount: 1,320,000 yen
(4)	Number of dilutive shares after the issuance of the Stock Options	320,000 shares (100 shares per stock option)
(5)	Amount of funds to be procured	Total amount: 181,160,000 yen (estimated net proceeds: 169,160,000 yen), of which funds to be procured by the issuance and exercise of the Stock Options were 1,320,000 yen and 179,840,000 yen, respectively. Estimated net proceeds are the sum of the total amount paid for the Stock Options and the value of assets contributed upon the exercise of the Stock Options, minus the estimated issuing expenses for the Stock Options.
(6)	Exercise price	562 yen per share (fixed) for the stock acquisition rights No. 7 and No. 8
(7)	Method of offering or allotment (Prospective allottee)	A third-party allotment to Akitoshi Nakamura, the trustee
(8)	Others	The Stock Options are issued for the purpose of increasing the solidarity and motivation of the directors and employees of MarketEnterprise and its affiliated companies ("MarketEnterprise executives and employees") in order to achieve growth of sales and earnings and corporate value. This Incentive Plan using a trust is unlike conventional stock option incentive plans because Stock Options can be distributed to MarketEnterprise executives and employees based on pre-determined distribution guidelines and in a manner that reflects their contributions to the company's performance. This makes it possible to distribute Stock Options based on fair evaluations of contributions to growth in corporate value. Compared with incentive plans using stock acquisition rights that are already issued, this scheme will increase the motivation of

	<p>MarketEnterprise executives and employees to contribute to the company’s performance. MarketEnterprise believes this incentive plan will also help with recruiting highly skilled people.</p> <p>Transfer of the Stock Options requires an approval of the MarketEnterprise Board of Directors.</p> <p>Main conditions for the exercise of stock acquisition rights No. 7:</p> <p>The recipients of the Stock Options from the trustee (the “beneficiaries”) can exercise the stock acquisition rights No. 7 only if the sum of ordinary profit is at least 500 million yen for any two consecutive fiscal years during the period beginning with the fiscal year ending June 2018 and ending with the fiscal year ending June 2022.</p> <p>To determine ordinary profit, the figures in the consolidated statements of income in the MarketEnterprise Securities Reports will be used as reference and the Board of Directors can determine a different indicator for reference if there is a significant revision to the principles used for indicators used for reference, such as due to the application of an international financial reporting standard.</p> <p>Main conditions for the exercise of stock acquisition rights No. 8:</p> <p>The beneficiaries can exercise the stock acquisition rights No. 8 only if the ordinary profit is at least 1,000 million yen in any single fiscal year during the period beginning with the fiscal year ending June 2018 and ending with the fiscal year ending June 2026.</p> <p>To determine ordinary profit, the figures in the consolidated statements of income in the MarketEnterprise Securities Reports will be used as reference and the Board of Directors can determine a different indicator for reference if there is a significant revision to the principles used for indicators used for reference, such as due to the application of an international financial reporting standard.</p>
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Note: The amount of funds to be procured is the sum of the total amount paid for the Stock Options and the value of assets contributed upon the exercise of the Stock Options, minus estimated issuing expenses. If no Stock Options are exercised during the exercise period, an individual who received the allotment of Stock Options loses the right to exercise them, or an individual who acquired Stock Options loses the right to exercise them, the total amount paid for the Stock Options and estimated net proceeds will decrease.

2. Purpose and reason for offering the Stock Options

Purpose and reason for establishing the Incentive Plan

The purpose of the Incentive Plan is to maintain and increase the motivation of MarketEnterprise executives and employees and give them an incentive to contribute to the medium to long-term growth of corporate value. A contract has been signed to establish a trust that will hold the Stock Options, which are issued at the market price, with MarketEnterprise President Yasushi Kobayashi as the trustor and Akitoshi Nakamura as the trustee. The Stock Option Trust will be used for the Incentive Plan.

The Incentive Plan has two components, as provided for in the Stock Option Trust contract.

Type and number of the Stock Options	Personnel evaluation period	Issue date	Exercise period
Stock acquisition rights No. 7 (2,000)	Fiscal year ending June 2018 to Fiscal year ending June 2020	October 1, 2020	October 1, 2020 to August 31, 2027
Stock acquisition rights No. 8 (1,200)	Fiscal year ending June 2021 to Fiscal year ending June 2023	October 1, 2023	October 1, 2023 to August 31, 2027

In accordance with the Stock Option Trust contract, Mr. Kobayashi will entrust cash reserves to Mr. Nakamura,

the trustee, and Mr. Nakamura will receive all Stock Options. The money contributed to the trust will be used as the payment for the total issue price of the Stock Options, resulting in the acquisition of the Stock Options.

The stock acquisition rights No. 7 received by Mr. Nakamura will be distributed to beneficiaries who are confirmed on October 1, 2020 and the stock acquisition rights No. 8 will be distributed to beneficiaries who are confirmed on October 1, 2023. The No. 7 stock acquisition rights are distributed to recognize contributions to an increase in profitability for the strategic investment period consisting of the fiscal year ended June 2017 and the fiscal year ending June 2018. The stock acquisition rights No. 8 are distributed to recognize contributions to the achievement of an earnings target that has been established as a new medium to long-term goal based on recent results of operations, the company's infrastructure and other factors. As a result, these two stock acquisition rights have different evaluation periods. In addition, the performance of executives and employees during the evaluation period may not produce specific numerical benefits during this same period. Due to the possibility of a delay in the emergence of benefits, there is a difference between the evaluation period and the period stipulated in the exercise terms for the achievement of the goals for results of operations. Beneficiaries who receive Stock Options from Mr. Nakamura will be selected in accordance with the distribution guidelines which prescribe the distribution method for the Stock Options.

In the distribution guidelines, the Incentive Plan consists of two programs. The first is a point program in which each individual receives Stock Options based on the number of points awarded resulting from personnel evaluations performed twice each year and level of the individual's job. The second is an incentive package that distributes Stock Options to individuals based on other considerations in addition to the biannual personnel evaluations. In this second program, a study is performed every year to select (a) current MarketEnterprise executives and employees who have made a significant contribution to the growth of corporate value (including sales and gross profit growth as well as higher operating efficiency, reductions in business tasks, the establishment of new business processes, the operation of key activities and other contributions) and (b) new MarketEnterprise executives and employees who are expected to contribute to the growth of corporate value (managers who can play a role in increasing corporate value by achieving the growth of current business activities or launching new businesses). (The stock acquisition rights No. 7 are distributed on October 1, 2020 based on personnel evaluations for the fiscal years ending June 2018, 2019 and 2020 and the stock acquisition rights No. 8 are distributed on October 1, 2023 based on personnel evaluations for the fiscal years ending June 2021, 2022 and 2023.)

When Stock Options are distributed at the end of an evaluation period, individuals who have earned an incentive package will receive distributions first (10 stock acquisition rights for current personnel and 100 stock acquisition rights for new personnel). Then, the remaining Stock Options will be distributed to MarketEnterprise executives and employees who have been awarded points in proportion to the number of accumulated points.

The actual allocation and distribution of the Stock Options requires the final approval of the Evaluation Committee at a meeting held prior to the distribution date. This committee consists of directors, other than Mr. Kobayashi (the trustor) and/or Audit & Supervisory Board members and the majority of the committee members must be external directors and external Audit & Supervisory Board members.

The new Incentive Plan differs from conventional incentive plans, such as those using stock options, because individuals who receive Stock Options and the number of Stock Options received can be decided at a point in the future based on each individual's contributions. These individuals may be people who are currently working at MarketEnterprise as well as executives and employees who join MarketEnterprise in the future.

With a conventional incentive plan, a company must decide who receives stock options and how many options are given to each person at the time the stock options are issued. One problem is that stock options are granted to executives and employees by estimating an individual's future contributions based on past performance and

other items. As a result, stock option remuneration may not be distributed in an appropriate manner that reflects an individual's actual performance and contributions. Another problem is the need to issue stock options many times to avoid unfairness regarding executives and employees who join the company after stock options are issued. Issuing, administrative and other expenses are incurred every time stock options are issued.

With this Incentive Plan, Stock Options provisionally issued to Mr. Nakamura (the trustee) can be distributed in the future based on the contributions of MarketEnterprise executives and employees during the evaluation period in accordance with the intent of the Stock Option Trust. In addition, individuals who join MarketEnterprise in the future are also eligible to receive the Stock Options. Only executives and employees who have worked continuously at MarketEnterprise up to the Stock Option distribution date can receive the Stock Options. Consequently, the Incentive Plan can be operated with a level of flexibility that is not possible with a conventional incentive plan, such as the ability to exclude people who leave MarketEnterprise prior to the distribution date. Furthermore, the Incentive Plan has a pre-determined number of Stock Options that can be distributed based on the future contributions of MarketEnterprise executives and employees. As a result, this plan is expected to be even more effective at increasing motivation and helping attract talented individuals to accept jobs at MarketEnterprise.

Furthermore, the stock acquisition rights No. 7 cannot be exercised unless the sum of ordinary profit in two fiscal years is at least 500 million yen and exercising the stock acquisition rights No. 8 requires the ordinary profit to be at least 1,000 million yen in a single fiscal year. These targets were determined for the following reasons.

MarketEnterprise has established the goal of raising sales to 10 billion yen and operating profit to one billion yen by the fiscal year ending June 2020. Subsequently, based on recent results of operations, the company's infrastructure and other factors, MarketEnterprise established the new goal of raising the ordinary profit to 1,000 million yen by the fiscal year ending June 2026, the 20th anniversary of its establishment. (The profit requirement for exercising the stock acquisition rights No. 8 reflects this new goal.) As one step toward accomplishing this goal, the fiscal year ended June 2017 and the fiscal year ending June 2018 are positioned as a strategic investment period to achieve rapid growth over the long-term. Substantial up-front investments have been made for upgrading and enlarging the workforce, equipment and other components of operations. The two-year ordinary profit total of 500 million yen by no later than the fiscal year ending June 2022 was established as a milestone for progress concerning the improvement in profitability following this two-year investment period. (The profit requirement for exercising the stock acquisition rights No. 7 reflects this goal.)

Establishing these targets for earnings is expected to further increase the motivation of MarketEnterprise executives and employees to aim for even higher goals in relation to performance in prior years. MarketEnterprise expects that reaching these targets will result in growth of the company's corporate value and shareholder value.

For these reasons, MarketEnterprise believes that the establishment of the Incentive Plan will also benefit current shareholders.

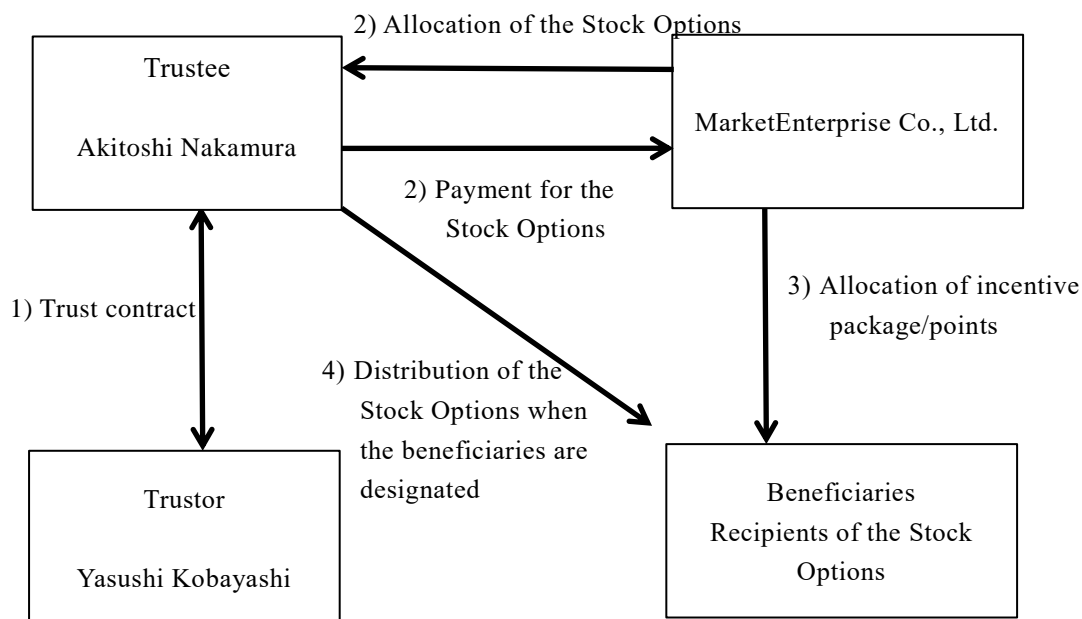
Today, MarketEnterprise has also approved the issuance of the stock acquisition rights No. 6, which require reaching earnings target just as the stock acquisition rights No. 7 do. More information is in the press release dated today titled "Notice of Issuance of Stock Options with Commitment to Performance Targets (Stock Options with Charge)." The stock acquisition rights No. 6 were issued for distribution to MarketEnterprise President Yasushi Kobayashi. These rights were issued because, due to the nature of this Incentive Plan, Mr. Kobayashi (the trustor of the Stock Option Trust) is excluded from the MarketEnterprise executives and employees who are eligible to receive the Stock Options. MarketEnterprise believes that distributing stock acquisition rights separately from this Incentive Plan directly to Mr. Kobayashi is therefore proper.

MarketEnterprise believes that using both this Incentive Plan, which has a trust, and a conventional stock acquisition rights with charge for the direct acquisition of these rights will increase the solidarity of the entire MarketEnterprise Group and further heighten motivation of the workforce.

Overview of Stock Option Trust Contract

Name of trust	Trust contract for stock acquisition rights issued at the market price
Trustor	Yasushi Kobayashi
Trustee	Akitoshi Nakamura
Beneficiaries	Individuals designated as beneficiaries at the end of the trust period (designated by using the beneficiary confirmation procedure)
Date of trust contract (Commencement of trust period)	August 25, 2017
End of trust period (Stock option distribution date)	Stock acquisition rights No. 7: October 1, 2020 Stock acquisition rights No. 8: October 1, 2023
Purpose of trust	The main purpose is the distribution of Stock Options to the beneficiaries.
Beneficiary requirements	Beneficiaries are executives or employees of MarketEnterprise as of the end of the trust period who, in accordance with the Stock Option Trust contract, have been designated as beneficiaries on the stock option distribution date. The number of stock options for each beneficiary is determined on the distribution date. The distribution standards are prescribed in the distribution guidelines that are to be established on the trust contract date of August 25, 2017. More information is in the preceding section titled "Purpose and reason for establishing the Incentive Plan."

Incentive Plan Flow Chart



- 1) Mr. Kobayashi, who is the trustor, will contribute money to Mr. Nakamura, who is the trustee, in accordance with the Stock Option Trust contract in order to establish this trust. MarketEnterprise will serve as the trust administrator and designator of beneficiaries, in accordance with this contract. The Incentive Plan is structured as a means for Mr. Kobayashi to pay bonuses in the future to beneficiaries.
- 2) Assuming that the Stock Option Trust is established, MarketEnterprise will issue the Stock Options to Mr. Nakamura in accordance with a resolution approved by the MarketEnterprise Board of Directors on August 14, 2017. Furthermore, based on this resolution, Mr. Nakamura will use the funds paid to the Stock Option Trust in 1) of the flow chart to purchase the Stock Options from MarketEnterprise. In accordance with the Stock Option Trust contract, Mr. Nakamura, the trustee, will hold the Stock Options until the end of the trust period.

3) In accordance with the distribution guidelines, MarketEnterprise will award an incentive package or points, which are the standard for determining the number of Stock Options distributed to each executive and employee based on contributions to MarketEnterprise during the evaluation period. The number of Stock Options for each individual is decided by using the incentive package and points.

4) At the end of the trust period (the stock option distribution date), the beneficiaries are designated and Stock Options held by Mr. Nakamura are distributed to the beneficiaries.

* Beneficiaries who receive Stock Options can receive MarketEnterprise common stock by paying the exercise price upon the exercise of the Stock Options as provided for in the terms and conditions for issuance of the Stock Options and contract concerning the handling of these options. Beneficiaries who receive this stock by exercising the Stock Options will then be MarketEnterprise shareholders and can sell this stock at any time on a securities exchange.

* If a beneficiary dies, pursuant to Article 62, Paragraph 1 of the Trust Act, another beneficiary will be selected in accordance with the Stock Option Trust contract.

3. Amount of funds to be procured, use of funds and timing of expenditure

(1) Amount of funds to be procured (estimated net proceeds) (Yen)

Total amount paid	Estimated issuing expenses	Estimated net proceeds
181,160,000	12,000,000	169,160,000

Notes:

1. The total amount paid is the sum of payments for the Stock Options (1,320,000 yen) and exercise payments assuming that all of the Stock Options are exercised (179,840,000 yen).
2. Estimated issuing expenses do not include consumption tax.
3. Estimated issuing expenses are the sum of the cost of calculating the price of the Stock Options, consulting expenses for structuring an incentive plan and personnel evaluation system, and other expenses.
4. The total amount paid and estimated net proceeds will decrease in the following cases: (i) any Stock Options are not exercised during the exercise period; (ii) an individual who received Stock Options loses the right to exercise them; and (iii) MarketEnterprise acquires and cancels any Stock Options.

(2) Specific use of funds procured

The procurement of funds is not the purpose of the Stock Options. The Stock Options are issued for the purpose of increasing the solidarity and motivation of the MarketEnterprise executives and employees in order to achieve growth of sales and earnings and corporate value.

MarketEnterprise executives and employees who receive Stock Options from Mr. Nakamura (the trustee) will make decisions on their own about exercising the Stock Options. Since it is therefore impossible to know how much money will be received at any particular time due to the exercise of the Stock Options, these proceeds cannot be incorporated in a funding plan. MarketEnterprise plans to use funds from the Stock Options for working capital, but decisions about specific amounts of money will be made when payments are received as the Stock Options are exercised.

Proceeds from the exercise of the Stock Options will be invested in bank deposits and other stable financial assets until the funds are used for the purposes listed in the preceding paragraph.

4. Rationale for the use of funds

MarketEnterprise believes that the use of funds procured from issuing and exercising the Stock Options is reasonable because the funds will be used for business operations.

5. Rationale for issuing terms and other items

(1) Basis of calculation of amount to be paid and details

To determine the issue prices of the Stock Options, MarketEnterprise asked Plutus Consulting Co., Ltd. (3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo; President and CEO: Mahito Noguchi), an independent, third-party

valuation firm, for a valuation. Plutus Consulting used a Monte Carlo simulation, which is a general model for calculating option prices, based on the following terms to determine the valuations of the Stock Options. This procedure resulted in a price of 600 yen for each No. 7 stock acquisition right and 100 yen for each No. 8 stock acquisition right.

<Stock acquisition rights No. 7>

The closing price of 562 yen per share of MarketEnterprise stock on the Tokyo Stock Exchange on the day before the Board of Directors resolution to issue the stock acquisition rights No. 7, a stock price volatility of 61.30%, a dividend yield of 0%, a risk-free interest rate of 0.066% and the terms for issuing the stock acquisition rights No. 7 (exercise price of 562 yen per share, exercise period of 10 years and performance target).

<Stock acquisition rights No. 8>

The closing price of 562 yen per share of MarketEnterprise stock on the Tokyo Stock Exchange on the day before the Board of Directors resolution to issue the stock acquisition rights No. 8, a stock price volatility of 61.30%, a dividend yield of 0%, a risk-free interest rate of 0.066% and the terms for issuing the stock acquisition rights No. 8 (exercise price of 562 yen per share, exercise period of 10 years and performance target).

The MarketEnterprise Board of Directors set the prices of the Stock Options at the values determined by Plutus Consulting. The directors believe that these prices are fair and appropriate and are not prices that result in the issuance of the Stock Options at favorable terms for two reasons. First, Plutus Consulting based its valuations on preliminary assumptions that may influence the valuations. Second, Plutus Consulting calculated the values by using a generally accepted method for determining the value of Stock Options while reflecting these preliminary assumptions.

In addition, the 562 yen exercise price of the Stock Options is the same as the closing price of MarketEnterprise common stock on the Tokyo Stock Exchange on August 10, 2017, which is the day before the Board of Directors resolution to issue the Stock Options.

Furthermore, MarketEnterprise has received an opinion from external Audit & Supervisory Board Member Masaki Yamazaki stating that, after examining the basis used to determine the valuations, the prices of the Stock Options are not favorable with respect to the individual who is to receive these options and the prices comply with laws and regulations.

(2) Basis for judgment that the number of shares to be issued and level of share dilution are reasonable

If all of the Stock Options are exercised, 320,000 shares (3,200 voting rights) will be issued. This equates to dilution of 6.30% (and 6.30% of voting rights) based on the 5,077,000 shares (50,762 voting rights) issued as of June 30, 2017, which is a significant level of dilution.

The purpose of the Stock Options is to increase the solidarity and motivation of MarketEnterprise executives and employees for achieving medium to long-term growth of sales and earnings and corporate value. In addition, the Stock Options cannot be exercised unless a pre-determined performance target is achieved. MarketEnterprise believes that reaching these targets will result in the growth of corporate value and shareholder value.

The average daily trading volume of MarketEnterprise common stock during the past six months is about 20,000 shares. This provides a certain level of liquidity in relation to the 320,000 shares that will be issued if all of the Stock Options are exercised.

For these reasons, MarketEnterprise expects the Stock Options to provide benefits to current shareholders by contributing to the growth of corporate value and shareholder value. As a result, the number of shares to be issued and level of share dilution resulting from the exercise of the Stock Options are believed to be reasonable.

6. Reason for selecting the prospective allottee and other information

(1) Profile of the prospective allottee

Name	Akitoshi Nakamura	
Address	Chuo-ku, Chiba City, Chiba	
Title	Tax accountant of Aiwa Tax Accountants Corporation	
Relationships between MarketEnterprise and the prospective allottee	Investment	Not applicable.
	Personnel	Not applicable.
	Capital	Not applicable.
	Technology	Not applicable.
	Business	MarketEnterprise uses the tax accounting office where Mr. Nakamura is employed for tax consultations and pays this office a contractual monthly advisory fee in accordance with the advisory contract. This office performs a variety of tax procedures for MarketEnterprise.

Notes:

1. Information concerning the relationships between MarketEnterprise and Mr. Nakamura is as of August 14, 2017.
2. MarketEnterprise has received a statement from Mr. Nakamura stating that he has no relationship with anti-social forces. In addition, MarketEnterprise has received a report stating that Mr. Nakamura has no relationship with anti-social forces from Restol Japan 21 Inc., a specialist investigation firm that MarketEnterprise asked to examine Mr. Nakamura. MarketEnterprise has submitted a confirmation document to the Tokyo Stock Exchange stating that Mr. Nakamura has no relationship whatsoever with anti-social forces.

(2) Reason for selecting the prospective allottee

MarketEnterprise selected Mr. Nakamura, who is the trustee of the Stock Option Trust, to be the recipient of the Stock Options for the following reasons.

First, due to the kindness of Mr. Nakamura, the Stock Option Trust is a civil trust that will provide no trust remuneration to Mr. Nakamura when the trust receives assets. A civil trust is not a commercial trust created for the purpose of earning a profit and is allowed to name a trustee other than a trust bank or trust company. Due to the absence of trust fees and other expenses, the overall cost of the Incentive Plan can be lower than the cost that would ordinarily be required.

Second, Mr. Nakamura performs only the following major tasks concerning the Stock Option Trust: (1) Management of the Stock Options during the trust period; (2) Distribution of the Stock Options to the beneficiaries at the end of the trust period; and (3) Payment of corporate income tax in order to maintain the existence of the Stock Option Trust. Consequently, MarketEnterprise believes that Mr. Nakamura is capable of performing these tasks and that a trust bank or trust company is not necessary.

Third, MarketEnterprise believes that Mr. Nakamura, who is a tax accountant, is capable of performing the tax procedures that that the trustee must do for each business year of the trust.

Fourth, Aiwa Tax Accountants Corporation, where Mr. Nakamura is employed, is the tax advisor of MarketEnterprise. As a result, MarketEnterprise believes that Mr. Nakamura is dependable regarding his understanding of the company and maintaining a relationship based on trust.

For these reasons, MarketEnterprise has selected Mr. Nakamura to receive the allocation of the Stock Options.

(3) Policy of the prospective allottee for holding the Stock Options

Pursuant to the Stock Option Trust contract and distribution guidelines, Mr. Nakamura, who is the recipient of the Stock Options, will hold the Stock Options until the end of the trust period (October 1, 2020 for the stock acquisition rights No. 7 and October 1, 2023 for the stock acquisition rights No. 8). At that point, Mr. Nakamura will distribute the Stock Options to the beneficiaries, which are the individuals from among those eligible to be beneficiaries who have stated they want to be beneficiaries.

(4) Information about confirmation of payment capacity of the prospective allottee

MarketEnterprise has confirmed that Mr. Nakamura has sufficient funds to pay the amount required for the Stock Options by receiving a copy of the bank deposit statement of Mr. Kobayashi, the trustor, showing that he has sufficient funds for the initial trust payment. In addition, by confirming the terms of the proposed trust contract that is to be signed on August 25, 2017, MarketEnterprise has confirmed that Mr. Kobayashi will make the initial trust payment to Mr. Nakamura prior to the Stock Option allotment date and that, on the Stock Option allotment date, Mr. Nakamura intends to hold the Stock Options as trust assets.

(5) Critical contracts

Other than the Stock Option Trust contract, there are no critical contracts between MarketEnterprise and Mr. Nakamura concerning this issue of Stock Options.

7. Major shareholders and their shareholding ratio after the offering of the Stock Options

Before offering		After offering	
WWG. Co., Ltd.	31.52%	WWG. Co., Ltd.	29.65%
Yasushi Kobayashi	26.40%	Yasushi Kobayashi	24.83%
Tomoyuki Kamo	11.82%	Tomoyuki Kamo	11.12%
YJ No. 1 Investment Partnership	7.88%	YJ No. 1 Investment Partnership	7.41%
SBI SECURITIES Co., Ltd.	2.61%	SBI SECURITIES Co., Ltd.	2.45%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2.33%	The Master Trust Bank of Japan, Ltd. (Trust Account)	2.19%
Aucfan Co., Ltd.	0.90%	Aucfan Co., Ltd.	0.85%
Takahiro Sato	0.79%	Takahiro Sato	0.74%
Tetsuro Nakatsuji	0.49%	Tetsuro Nakatsuji	0.46%
CYBRiDGE GROUP CORPORATION	0.46%	CYBRiDGE GROUP CORPORATION	0.44%

Notes:

1. Shareholding ratios before the offering are based on the number of voting rights for the number of shares in the shareholder register as of June 30, 2017.
2. Shareholding ratios after the offering are calculated by dividing the number of voting rights held as of June 30, 2017 by the sum of the total number of voting rights as of June 30, 2017 and the number of voting rights for the total number of shares to be issued for the exercise of the Stock Options.
3. The above shareholding ratios are rounded to the hundredths place.
4. Mr. Nakamura, who is the recipient of the Stock Options, is not included in the after offering list of major shareholders because he will only perform trust administrative and management procedures concerning the Stock Options. When the trust period ends, Mr. Nakamura will distribute the Stock Options to the beneficiaries in accordance with the Stock Option Trust contract and distribution guidelines.
5. No beneficiaries are included in after offering major shareholders because, due to the nature of the Incentive Plan, the beneficiaries who will receive the Stock Options have not been determined at this time.

8. Outlook

The earnings forecast for the current fiscal year is in the consolidated financial results for the year ended June 30, 2017 that was released today.

An announcement will be made promptly if the use of proceeds from the exercise of the Stock Options for business operations has an effect on sales or earnings.

9. Matters regarding procedures in the code of corporate conduct

The issuance of the Stock Options does not require the receipt of an opinion from an independent third party or the confirmation of shareholders intentions as prescribed in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange. The reason is that the Stock Options (1) have a total dilution ratio of less than 25% and (2) do not involve a change in a controlling shareholder (even if all stock acquisition rights are exercised, no change is expected in the controlling shareholder).

- Matters regarding transactions with a controlling shareholder

MarketEnterprise Representative Director Yasushi Kobayashi is to be the trustor in the Stock Option Trust contract. Since Mr. Kobayashi is a controlling shareholder of MarketEnterprise, the following procedure is used for issuing the Stock Options as a transaction with a controlling shareholder.

(1) Whether the Stock Options fall under transactions with a controlling shareholder and compliance with the guideline for protection of non-controlling shareholders

In the Corporate Governance Report that was released on February 10, 2017, the guideline for protection of non-controlling shareholders in transactions with controlling shareholders contains the following statement. The issuance of the Stock Options has been decided in accordance with this guideline.

“MarketEnterprise Representative Director Yasushi Kobayashi is a controlling shareholder. If there is a transaction with a controlling shareholder, assuming that this transaction is necessary, the basic requirement is that the transaction must be suitable just as for ordinary business activities. To verify the terms and suitability of the transaction, the MarketEnterprise Board of Directors must examine the transaction and approve a resolution allowing the transaction regardless of the amount of money involved. This process is used to protect the interests of non-controlling shareholders.”

(2) Measures to ensure fairness and prevent conflicts of interest

The Stock Options are issued in accordance with rules and procedures prescribed by MarketEnterprise.

MarketEnterprise believes that the terms and conditions of the Stock Options are suitable and that there are no significant differences with respect to the terms and conditions ordinarily used for stock acquisition rights. Furthermore, to prevent the arbitrary distribution of the Stock Options, the Stock Options are allocated at a price based on the fair value calculated by Plutus Consulting, a third-party valuation firm that is independent of MarketEnterprise and the allottee of the Stock Options. To prevent conflicts of interest, Yasushi Kobayashi, who is to receive the Stock Options, did not vote on any Board of Directors resolutions concerning the Stock Options.

(3) Summary of opinion of party having no interest with the controlling shareholder concerning any disadvantages to non-controlling shareholders caused by the Stock Options

Following discussions regarding the Stock Options, the MarketEnterprise Board of Directors approved a resolution today stating that the terms and conditions of the Stock Options are suitable. Upon the approval of the resolution, the directors received an opinion from Masaki Yamazaki, an External Audit & Supervisory Board Member who has no interest with the controlling shareholder, that issuing the Stock Options will not be a disadvantage to non-controlling shareholders. This opinion is based on the following points: (1) the Stock Options are structured and granted for the purpose of further increasing Mr. Kobayashi’s motivation to increase corporate value and achieving the performance target is expected to increase corporate value; (2) the price of the Stock Options is fair based on the valuation determined by a third-party valuation firm having no interest with the controlling shareholder; and (3) for the issuing procedure, proper measures were used to avoid a conflict of interest between MarketEnterprise and the controlling shareholder.

10. Results of operations and equity finance during the last three years

(1) Results of operations for the last three years

Fiscal year ended	June 30, 2015	June 30, 2016	June 30, 2017
Net sales (Thousands of yen)	3,988,688	4,863,308	5,630,708
Operating profit (Thousands of yen)	237,683	96,620	(7,418)
Ordinary profit (Thousands of yen)	227,508	93,485	4,202
Profit attributable to owners of parent (Thousands of yen)	136,739	49,637	(19,276)
Net income per share (Yen)	30.68	9.79	(3.80)
Dividend per share (Yen)	-	-	-
Net assets per share (Yen)	174.11	183.87	179.80

Notes:

- Figures for the fiscal years ended June 30, 2015 and 2016 are non-consolidated and figures for the fiscal year ended June 2017 are consolidated because MarketEnterprise started preparing consolidated financial statements in this fiscal year.
- MarketEnterprise conducted a 500-for-1 common stock split effective on March 11, 2015 and a 2-for-1 common stock split January 1, 2016. Net assets per share and net income per share are calculated as if these stock splits had taken place at the beginning of the fiscal year ended June 2015.

(2) Current number of issued shares and dilutive shares (as of June 30, 2017)

	Number of shares (shares)	Ratio to the number of issued shares
Number of issued shares	5,077,000	100.00%
Current number of dilutive shares at conversion price (exercise price)	180,400	3.55%

(3) Recent share prices

1) Share prices during the last three years

Fiscal year ended	June 30, 2015	June 30, 2016	June 30, 2017
Opening price (Yen)	2,002.5	1,750	921
High price (Yen)	2,150	2,825	1,040
Low price (Yen)	1,520	468	461
Closing price (Yen)	1,685	930	659

Note: MarketEnterprise conducted a 500-for-1 common stock split effective on March 11, 2015 and a 2-for-1 common stock split January 1, 2016. Figures above are calculated as if these stock splits had taken place at the beginning of the fiscal year ended June 30, 2015.

2) Share prices during the last six months

	March	April	May	June	July	August
Opening price (Yen)	566	516	538	548	689	590
High price (Yen)	589	549	569	752	715	590
Low price (Yen)	506	497	510	540	594	543
Closing price (Yen)	517	542	548	659	597	562

Note: Share prices for August are as of August 10, 2017.

3) Share price on the trading day prior to the date of resolution for issuance

	August 10, 2017
Opening price (Yen)	566
High price (Yen)	570
Low price (Yen)	556
Closing price (Yen)	562

(4) Equity finance during the last three years

- Public offering (initial public offering)

Payment date	June 16, 2015
Amount of funds procured	276,000,000 yen
Issue price	1,380 yen per share
Number of issued shares at offering	2,270,000 shares
Number of shares issued through the offering	200,000 shares
Total number of issued shares after offering	2,470,000 shares
Allottees	SMBC Nikko Securities Inc., SBI SECURITIES Co., Ltd., Daiwa Securities Co. Ltd., Okasan Securities Co., Ltd., Ichiyoshi Securities Co., Ltd., MONEX, Inc., Iwai Cosmo Securities Co., Ltd., Matsui Securities Co., Ltd.
Initial use of the funds planned at the time of issuance	Establishment of new Reuse Centers to expand the procurement infrastructure for future growth; development of an Internet service system for growth in the volume of purchases and sales; and purchase of items as the volume of merchandise purchased increases
Scheduled timing of expenditures at the time of issuance	Until June 30, 2017
Current status of expenditures	All expenditures were made according to the above schedule

- Issuance of new shares using a third-party allotment associated with a secondary offering using an over-allotment

Payment date	June 25, 2015
Amount of funds procured	78,399,750 yen
Issue price	1,215.5 yen per share
Number of issued shares at offering	2,470,000 shares
Number of shares issued through the offering	64,500 shares
Total number of issued shares after offering	2,534,500 shares
Allottee	SMBC Nikko Securities Inc.
Initial use of the funds planned at the time of issuance	Establishment of new Reuse Centers to expand the procurement infrastructure for future growth; development of an Internet service system for growth in the volume of purchases and sales; and purchase of items as the volume of merchandise purchased increases
Scheduled timing of expenditures at the time of issuance	Until June 30, 2017
Current status of expenditures	All expenditures were made according to the above schedule

Terms and Conditions for Issuance of the MarketEnterprise Co., Ltd.
Stock Acquisition Rights No. 7

1. Number of stock acquisition rights:

2,000

The total number of shares of MarketEnterprise common stock to be granted upon the exercise of the stock acquisition rights is 200,000. If the number of shares to be granted is adjusted as described in the following section 3. (1), the total number of shares to be granted will instead be the adjusted number of shares to be granted multiplied by the number of stock acquisition rights.

2. Payment for stock acquisition rights

The issue price for one stock acquisition right is 600 yen. This price was determined by taking into account the result of the valuation determined by Plutus Consulting Co., Ltd., a third-party valuation firm, by using a Monte Carlo simulation, which is a general model for calculating option prices, based on MarketEnterprise stock price information and other items.

3. Details of stock acquisition rights

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

The number of shares to be issued upon exercise of each stock acquisition right (the “number of shares granted”) is 100.

If MarketEnterprise conducts a stock split (including the allotment of shares of MarketEnterprise common stock without charge; the same applies hereafter) or a consolidation of shares after the allotment date of the stock acquisition rights, the number of shares granted will be adjusted in accordance with the following formula. However, this adjustment will be performed only for shares to be issued upon exercise of stock acquisition rights that have not been exercised at the time of the stock split or consolidation of shares. Any fraction less than one share resulting from the adjustment is discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of split (or consolidation)

In addition, after the allotment date of stock acquisition rights, if there is a merger, divestiture or capital reduction involving MarketEnterprise or if there is some other event that requires an adjustment of the number of shares granted, MarketEnterprise will perform this adjustment in an appropriate manner to a reasonable extent.

(2) Value of assets to be contributed upon exercise of stock acquisition rights and calculation method

The value of assets to be contributed upon exercise of the stock acquisition rights is the amount calculated by multiplying the amount to be paid per share (the “exercise price”) by the number of shares granted.

The exercise price is 562 yen.

If MarketEnterprise conducts a stock split or a consolidation of shares after the allotment date of the stock acquisition rights, the exercise price will be adjusted in accordance with the following formula and any fraction less than one yen resulting from the adjustment will be rounded up.

$$\begin{array}{c} \text{Exercise price} \\ \text{after} \\ \text{adjustment} \end{array} = \begin{array}{c} \text{Exercise price} \\ \text{before} \\ \text{adjustment} \end{array} \times \frac{1}{\text{Ratio of split (or consolidation)}}$$

If MarketEnterprise issues new shares of common stock or disposes of its treasury shares at a price below market value (excluding the cases of the issuance of new shares through the exercise of stock acquisition rights, disposal of treasury shares, as well as the transfer of treasury shares through a share exchange)

after the allotment date of the stock acquisition rights, the exercise price will be adjusted in accordance with the following formula and any fraction less than one yen resulting from the adjustment will be rounded up.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of issued shares} + \frac{\text{Number of newly issued shares} \times \text{Amount to be paid per share}}{\text{Per share market price before new issuance}}}{\text{Number of issued shares} + \text{Number of newly issued shares}}$$

In the formula above, the “number of issued shares” denotes the total number of issued shares of MarketEnterprise common stock less the number of treasury shares. If the MarketEnterprise disposes of its treasury shares, the “number of newly issued shares” will be replaced with the “number of treasury shares to be disposed of.”

In addition, if there is a need to adjust the exercise price due to a merger with another company, company split, or any other similar events after the allotment date of the stock acquisition rights, MarketEnterprise may appropriately adjust the exercise price to a reasonable extent.

(3) Period during which the stock acquisition rights may be exercised

The exercise period of the stock acquisition rights starts on October 1, 2020 and ends on August 31, 2027.

(4) Matters regarding the amount of capital and capital reserve to be increased

- 1) The amount by which the capital will be increased as a result of the issuance of shares upon the exercise of the stock acquisition rights is the maximum amount of increase in capital to be calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules multiplied by 0.5. Any fraction less than one yen resulting from the calculation is rounded up.
- 2) The amount by which the capital reserve will be increased as a result of the issuance of shares upon the exercise of the stock acquisition rights is the maximum amount of increase in capital described in item 1) above minus the amount of capital increase described in item 1) above.

(5) Restrictions on the acquisition of stock acquisition rights through transfer

The acquisition of the stock acquisition rights through transfer requires an approval by a resolution of the Board of Directors of MarketEnterprise.

(6) Conditions for exercising stock acquisition rights

- 1) Mr. Nakamura, who is the trustee who receives the stock acquisition rights, may not exercise the stock acquisition rights. Furthermore, unless prescribed otherwise in this terms and conditions, only individuals who have received stock acquisition rights from the trustee (the “rights holder”) can exercise the stock acquisition rights.
- 2) Beneficiaries can exercise the stock acquisition rights only if the sum of ordinary profit is at least 500 million yen for any two consecutive fiscal years during the period beginning with the fiscal year ending June 2018 and ending with the fiscal year ending June 2022. To determine ordinary profit, the figures in the consolidated statements of income in the MarketEnterprise Securities Reports will be used as reference and the Board of Directors can determine a different indicator for reference if there is a significant revision to the principles used for indicators used for reference, such as due to the application of an international financial reporting standard.
- 3) When a beneficiary of the stock acquisition rights exercises these rights, the individual must still be a director or employee of MarketEnterprise or one of its affiliated companies. However, individuals are exempt from this requirement in cases where the Board of Directors approves a legitimate reason for leaving MarketEnterprise, such as retirement due to reaching the end of a term of office or a mandatory

retirement age.

- 4) If a beneficiary of the stock acquisition rights dies, the rights can be exercised by only one individual who legally inherits all of the rights. If this heir subsequently dies, the stock acquisition rights cannot be exercised by the next legal heir.
- 5) If the total number of issued shares would exceed the number of authorized shares by the exercise of the stock acquisition rights at the time of exercise thereof, the stock acquisition rights cannot be exercised.
- 6) A stock acquisition right of less than one unit may not be exercised.

4. Allotment date of stock acquisition rights

August 30, 2017

5. Items related to acquisition of stock acquisition rights

- (1) If the shareholders of MarketEnterprise approves (or the Board of Directors resolves, if the approval of the shareholders is not required) a proposal for a company split agreement or a company split plan under which MarketEnterprise will become a splitting company, or a proposal for a share exchange agreement or share transfer plan under which MarketEnterprise will become a wholly owned subsidiary, MarketEnterprise may acquire all stock acquisition rights without charge on a date separately specified by the Board of Directors of MarketEnterprise.
- (2) MarketEnterprise may acquire the stock acquisition rights without charge in the event that the rights holder is no longer able to exercise the stock acquisition rights as described in item 3. (6) above before the exercise.

6. Treatment of stock acquisition rights in conjunction with a corporate reorganization

For mergers (limited to cases where MarketEnterprise no longer exists as a result of the merger), absorption-type company splits, incorporation-type company splits, share exchanges or share transfers of MarketEnterprise (the “corporate reorganization”), the stock acquisition rights of stock companies specified in Article 236, Paragraph 1, Item 8, (1) to (5) of the Companies Act (the “reorganized corporations”) will be granted, respectively, to the rights holders on the effective date of the corporate reorganization in accordance with the following conditions. However, this provision is limited to cases in which absorption-type merger agreements, incorporation-type merger agreements, absorption-type company split agreements, incorporation-type company split plans, share exchange contracts or share transfer plans stipulate that the stock acquisition rights of reorganized corporations will be issued under the following terms and conditions:

- (1) Number of the stock acquisition rights of reorganized corporations to be granted
The same number as the stock acquisition rights held by the rights holder must be granted.
- (2) Type of shares of reorganized corporations to be issued under the stock acquisition rights
Common stock of the reorganized corporations must be issued.
- (3) Number of shares of reorganized corporations to be issued under the stock acquisition rights
To be determined in accordance with item 3. (1) above, while taking into account the terms and conditions of the corporate reorganization.
- (4) Value of assets to be contributed upon the exercise of the stock acquisition rights
The value of assets to be contributed upon the exercise of each stock acquisition right to be granted is the amount obtained by multiplying the amount to be paid in after the corporate reorganization through adjustment of the exercise price as prescribed in item 3. (2) above by the number of shares of reorganized corporations to be issued upon the stock acquisition rights in accordance with item 6. (3) above, considering the terms and conditions of the corporate reorganization.

(5) Period during which the stock acquisition rights can be exercised

The period starts on the later of either the first day of the exercise period as prescribed in item 3. (3) above or the effective date of the corporate reorganization and ends on the last day of the exercise period as prescribed in item 3. (3) above.

(6) Matters regarding the amount of capital and capital reserve to be increased as a result of the issuance of shares upon the exercise of stock acquisition rights

To be determined in accordance with item 3. (4) above.

(7) Restrictions on the acquisition of stock acquisition rights through transfer

The acquisition of stock acquisition rights through transfer requires an approval by a resolution of the Board of Directors of the reorganized corporation.

(8) Other conditions for exercising stock acquisition rights

To be determined in accordance with item 3. (6) above.

(9) Reasons and conditions to acquire stock acquisition rights

To be determined in accordance with item 5. above.

(10) Other conditions will be determined in the same manner as those for the reorganized corporation.

7. Matters regarding certificates for the stock acquisition rights

MarketEnterprise will not issue certificates for the stock acquisition rights.

8. Payment date for the stock acquisition rights

August 30, 2017

Terms and Conditions for Issuance of the MarketEnterprise Co., Ltd.
Stock Acquisition Rights No. 8

1. Number of stock acquisition rights:

1,200

The total number of shares of MarketEnterprise common stock to be granted upon the exercise of the stock acquisition rights is 120,000. If the number of shares to be granted is adjusted as described in the following section 3. (1), the total number of shares to be granted will instead be the adjusted number of shares to be granted multiplied by the number of stock acquisition rights.

2. Payment for stock acquisition rights

The issue price for one stock acquisition right is be 100 yen. This price was determined by taking into account the result of the valuation determined by Plutus Consulting Co., Ltd., a third-party valuation firm, by using a Monte Carlo simulation, which is a general model for calculating option prices, based on MarketEnterprise stock price information and other items.

3. Details of stock acquisition rights

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

The number of shares to be issued upon exercise of each stock acquisition right (the “number of shares granted”) is 100.

If MarketEnterprise conducts a stock split (including the allotment of shares of MarketEnterprise common stock without charge; the same applies hereafter) or a consolidation of shares after the allotment date of the stock acquisition rights, the number of shares granted will be adjusted in accordance with the following formula. However, this adjustment will be performed only for shares to be issued upon exercise of stock acquisition rights that have not been exercised at the time of the stock split or consolidation of shares. Any fraction less than one share resulting from the adjustment is discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of split (or consolidation)

In addition, after the allotment date of stock acquisition rights, if there is a merger, divestiture or capital reduction involving MarketEnterprise or if there is some other event that requires an adjustment of the number of shares granted, MarketEnterprise will perform this adjustment in an appropriate manner to a reasonable extent.

(2) Value of assets to be contributed upon exercise of stock acquisition rights and calculation method

The value of assets to be contributed upon exercise of the stock acquisition rights is the amount calculated by multiplying the amount to be paid per share (the “exercise price”) by the number of shares granted.

The exercise price is 562 yen.

If MarketEnterprise conducts a stock split or a consolidation of shares after the allotment date of the stock acquisition rights, the exercise price will be adjusted in accordance with the following formula and any fraction less than one yen resulting from the adjustment will be rounded up.

$$\begin{array}{r} \text{Exercise price} \\ \text{after} \\ \text{adjustment} \end{array} = \begin{array}{r} \text{Exercise price} \\ \text{before} \\ \text{adjustment} \end{array} \times \frac{1}{\text{Ratio of split (or consolidation)}}$$

If MarketEnterprise issues new shares of common stock or disposes of its treasury shares at a price below market value (excluding the cases of the issuance of new shares through the exercise of stock acquisition rights, disposal of treasury shares, as well as the transfer of treasury shares through a share exchange)

after the allotment date of the stock acquisition rights, the exercise price will be adjusted in accordance with the following formula and any fraction less than one yen resulting from the adjustment will be rounded up.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of issued shares} + \frac{\text{Number of newly issued shares} \times \text{Amount to be paid per share}}{\text{Per share market price before new issuance}}}{\text{Number of issued shares} + \text{Number of newly issued shares}}$$

In the formula above, the “number of issued shares” denotes the total number of issued shares of MarketEnterprise common stock less the number of treasury shares. If the MarketEnterprise disposes of its treasury shares, the “number of newly issued shares” will be replaced with the “number of treasury shares to be disposed of.”

In addition, if there is a need to adjust the exercise price due to a merger with another company, company split, or any other similar events after the allotment date of the stock acquisition rights, MarketEnterprise may appropriately adjust the exercise price to a reasonable extent.

(3) Period during which the stock acquisition rights may be exercised

The exercise period of the stock acquisition rights starts on October 1, 2023 and ends on August 31, 2027.

(4) Matters regarding the amount of capital and capital reserve to be increased

- 1) The amount by which the capital will be increased as a result of the issuance of shares upon the exercise of the stock acquisition rights is the maximum amount of increase in capital to be calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules multiplied by 0.5. Any fraction less than one yen resulting from the calculation is rounded up.
- 2) The amount by which the capital reserve will be increased as a result of the issuance of shares upon the exercise of the stock acquisition rights is the maximum amount of increase in capital described in item 1) above minus the amount of capital increase described in item 1) above.

(5) Restrictions on the acquisition of stock acquisition rights through transfer

The acquisition of the stock acquisition rights through transfer requires an approval by a resolution of the Board of Directors of MarketEnterprise.

(6) Conditions for exercising stock acquisition rights

- 1) Mr. Nakamura, who is the trustee who receives the stock acquisition rights, may not exercise the stock acquisition rights. Furthermore, unless prescribed otherwise in this terms and conditions, only individuals who have received stock acquisition rights from the trustee (the “rights holder”) can exercise the stock acquisition rights.
- 2) Beneficiaries can exercise the stock acquisition rights only if the sum of ordinary profit is at least 1,000 million yen in any single fiscal year during the period beginning with the fiscal year ending June 2018 and ending with the fiscal year ending June 2026. To determine ordinary profit, the figures in the consolidated statements of income in the MarketEnterprise Securities Reports will be used as reference and the Board of Directors can determine a different indicator for reference if there is a significant revision to the principles used for indicators used for reference, such as due to the application of an international financial reporting standard.
- 3) When a beneficiary of the stock acquisition rights exercises these rights, the individual must still be a director or employee of MarketEnterprise or one of its affiliated companies. However, individuals are exempt from this requirement in cases where the Board of Directors approves a legitimate reason for leaving MarketEnterprise, such as retirement due to reaching the end of a term of office or a mandatory retirement age.

- 4) If a beneficiary of the stock acquisition rights dies, the rights can be exercised by only one individual who legally inherits all of the rights. If this heir subsequently dies, the stock acquisition rights cannot be exercised by the next legal heir.
- 5) If the total number of issued shares would exceed the number of authorized shares by the exercise of the stock acquisition rights at the time of exercise thereof, the stock acquisition rights cannot be exercised.
- 6) A stock acquisition right of less than one unit may not be exercised.

4. Allotment date of stock acquisition rights

August 30, 2017

5. Items related to acquisition of stock acquisition rights

- (1) If the shareholders of MarketEnterprise approves (or the Board of Directors resolves, if the approval of the shareholders is not required) a proposal for a company split agreement or a company split plan under which MarketEnterprise will become a splitting company, or a proposal for a share exchange agreement or share transfer plan under which MarketEnterprise will become a wholly owned subsidiary, MarketEnterprise may acquire all stock acquisition rights without charge on a date separately specified by the Board of Directors of MarketEnterprise.
- (2) MarketEnterprise may acquire the stock acquisition rights without charge in the event that the rights holder is no longer able to exercise the stock acquisition rights as described in item 3. (6) above before the exercise.

6. Treatment of stock acquisition rights in conjunction with a corporate reorganization

For mergers (limited to cases where MarketEnterprise no longer exists as a result of the merger), absorption-type company splits, incorporation-type company splits, share exchanges or share transfers of MarketEnterprise (the “corporate reorganization”), the stock acquisition rights of stock companies specified in Article 236, Paragraph 1, Item 8, (1) to (5) of the Companies Act (the “reorganized corporations”) will be granted, respectively, to the rights holders on the effective date of the corporate reorganization in accordance with the following conditions. However, this provision is limited to cases in which absorption-type merger agreements, incorporation-type merger agreements, absorption-type company split agreements, incorporation-type company split plans, share exchange contracts or share transfer plans stipulate that the stock acquisition rights of reorganized corporations will be issued under the following terms and conditions:

- (1) Number of the stock acquisition rights of reorganized corporations to be granted
The same number as the stock acquisition rights held by the rights holder must be granted.
- (2) Type of shares of reorganized corporations to be issued under the stock acquisition rights
Common stock of the reorganized corporations must be issued.
- (3) Number of shares of reorganized corporations to be issued under the stock acquisition rights
To be determined in accordance with item 3. (1) above, while taking into account the terms and conditions of the corporate reorganization.
- (4) Value of assets to be contributed upon the exercise of the stock acquisition rights
The value of assets to be contributed upon the exercise of each stock acquisition right to be granted is the amount obtained by multiplying the amount to be paid in after the corporate reorganization through adjustment of the exercise price as prescribed in item 3. (2) above by the number of shares of reorganized corporations to be issued upon the stock acquisition rights in accordance with item 6. (3) above, considering the terms and conditions of the corporate reorganization.
- (5) Period during which the stock acquisition rights can be exercised

The period starts on the later of either the first day of the exercise period as prescribed in item 3. (3) above or the effective date of the corporate reorganization and ends on the last day of the exercise period as prescribed in item 3. (3) above.

- (6) Matters regarding the amount of capital and capital reserve to be increased as a result of the issuance of shares upon the exercise of stock acquisition rights
To be determined in accordance with item 3. (4) above.
 - (7) Restrictions on the acquisition of stock acquisition rights through transfer
The acquisition of stock acquisition rights through transfer requires an approval by a resolution of the Board of Directors of the reorganized corporation.
 - (8) Other conditions for exercising stock acquisition rights
To be determined in accordance with item 3. (6) above.
 - (9) Reasons and conditions to acquire stock acquisition rights
To be determined in accordance with item 5. above.
 - (10) Other conditions will be determined in the same manner as those for the reorganized corporation.
7. Matters regarding certificates for the stock acquisition rights
MarketEnterprise will not issue certificates for the stock acquisition rights.
8. Payment date for the stock acquisition rights
August 30, 2017