

May 29, 2015

Dear Sirs:

Name of Listed Company: Shobunsha Publications, Inc.
Representative: Shigeo Kuroda,
President and Representative Director
(Code Number: 9475)
Person to Contact: Shinya Ohno,
Director and General Manager,
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**Announcement of Offerings of Stock Acquisition Rights No. 1, No. 2 and No. 3
Issued by Allotment to a Third Party**

Shobunsha Publications, Inc. (hereinafter referred to as the “Company”) announces that at the meeting of the Board of Directors held on May 29, 2015, it resolved to make offerings of the stock acquisition rights No. 1, No. 2 and No. 3 (hereinafter collectively referred to as the “Stock Acquisition Rights”) by a third-party allotment (hereinafter referred to as the “Third-Party Allotment”), in which the prospective allottee is Whiz Asia Evolution Fund Investment Limited Partnership, for which Whiz Partners Inc. (hereinafter referred to as “Whiz Partners”) serves as a managing partner.

1. Outline of offerings

Stock Acquisition Rights No. 1

(1) Allotment date	June 15, 2015
(2) Total number of stock acquisition rights	6,000 units
(3) Issue price	6,120,000 yen (1,020 yen per unit of the stock acquisition rights No. 1)
(4) Number of dilutive shares from the issuance of stock acquisition rights	600,000 shares (100 shares per unit of stock acquisition rights No. 1)
(5) Amount of funds to be raised	514,320,000 yen, of which fund to be raised from payments for the stock acquisition rights No. 1 is 6,120,000 yen, and fund to be raised from exercise of the stock acquisition rights No. 1 is 508,200,000 yen. As for estimated proceeds net of the estimated cost of issuance, please refer to “3. Amount, use and scheduled expenditure of funds to be raised.”
(6) Exercise price	847 yen per share
(7) Method of offering or allotment (the prospective allottee)	A third-party allotment will be used with all amounts allotted to Whiz Asia Evolution Fund Investment Limited Partnership.
(8) Other	Each of the items above is subject to effective filing under the Financial Instruments and Exchange Act. The transfer of the stock acquisition rights No. 1 shall be subject to approval by the Board of Directors of the Company.

Stock Acquisition Rights No. 2

(1) Allotment date	June 15, 2015
(2) Total number of stock acquisition rights	1,300 units
(3) Issue price	208,000 yen (160 yen per unit of the stock acquisition rights No. 2)
(4) Number of dilutive shares from the issuance of stock acquisition rights	130,000 shares (100 shares per unit of stock acquisition rights No. 2)

(5) Amount of funds to be raised	137,748,000 yen, of which fund to be raised from payments for the stock acquisition rights No. 2 is 208,000 yen, and fund to be raised from exercise of the stock acquisition rights No. 2 is 137,540,000 yen. As for estimated proceeds net of the estimated cost of issuance, please refer to “3. Amount, use and scheduled expenditure of funds to be raised.”
(6) Exercise price	1,058 yen per share
(7) Method of offering or allotment (the prospective allottee)	A third-party allotment will be used with all amounts allotted to Whiz Asia Evolution Fund Investment Limited Partnership.
(8) Other	Each of the items above is subject to effective filling under the Financial Instruments and Exchange Act. The transfer of the stock acquisition rights No. 2 shall be subject to approval by the Board of Directors of the Company.

Offering of Stock Acquisition Rights No. 3

(1) Allotment date	June 15, 2015
(2) Total number of stock acquisition rights	1,000 units
(3) Issue price	15,000 yen (15 yen per unit of the stock acquisition rights No. 3)
(4) Number of dilutive shares from the issuance of stock acquisition rights	100,000 shares (100 shares per unit of stock acquisition rights No. 3)
(5) Amount of funds to be raised	169,415,000 yen, of which fund to be raised from payments for the stock acquisition rights No. 3 is 15,000 yen, and fund to be raised from exercise of the stock acquisition rights No. 3 is 169,400,000 yen. As for estimated proceeds net of the estimated cost of issuance, please refer to “3. Amount, use and scheduled expenditure of funds to be raised.”
(6) Exercise price	1,694 yen per share
(7) Method of offering or allotment (the prospective allottee)	A third-party allotment will be used with all amounts allotted to Whiz Asia Evolution Fund Investment Limited Partnership.
(8) Other	Each of the items above is subject to effective filling under the Financial Instruments and Exchange Act. The transfer of the stock acquisition rights No. 3 shall be subject to approval by the Board of Directors of the Company.

2. Purpose and reason for offering

As disclosed in the “Notice of Business Alliance with Whiz Partners Inc. and the Offering of Subscription for the First Unsecured Convertible-Bonds-Type Bonds with Stock Acquisition Rights to Be Issued by Allotment thereof to a Third Party” dated August 15, 2014, the Company has established a business alliance with Whiz Partners (hereinafter referred to as the “Business Alliance”) in order to further expand its “inbound business” that offers information for foreign tourists, mainly visitors to Japan from other parts of Asia, in collaboration with Whiz Partners and its subsidiary in Hong Kong called Whiz Partners Asia Ltd. (hereinafter collectively referred to as the “Whiz Group”). Since the Business Alliance was established, the Company signed a Memorandum of Understanding (MOU) (disclosed on September 22, 2014) with Diangping that runs China’s largest restaurant-review website, and another MOU (disclosed on November 4, 2014) with Chinese company Travo Inc. that owns mobile applications “On the Road” and “Tao On the Road.” to conduct joint research for market development pertinent to the inbound business in Japan. Through the discussions with its business partners in and outside Japan including the above two companies, the Company has explored what the business model for its “inbound business” should look like.

Based on the in-depth research and discussions with the companies with whom the Company signed the MOU mentioned above as well as other prospective collaborating partners, the Company has concluded that the following businesses, among others, are needed by visitors to Japan, and therefore expected to grow in the years

to come:

- Hotel reservations for foreign tourists
- Effective marketing and advertising targeted at foreign tourists visiting Japan
- High-value-added travel planning for foreign tourists visiting Japan

The Company plans to place these at the core of the inbound business and continue to bolster them.

To proceed with the development of these businesses, “locating collaborating partners and exploring opportunities for alliances including equity investment and M&A” particularly with local Chinese enterprises involved is considered vital. Before the start of the Business Alliance, the Company issued the first unsecured convertible-bond-type bonds with stock acquisition rights (total face value of 1 billion yen, hereinafter referred to as the “Bonds with Stock Acquisition Rights”) on September 1, 2014, which were allotted to Whiz Asia Evolution Fund Investment Limited Partnership, in order to raise a fund of 585 million yen for “locating collaborating partners and exploring opportunities for alliances including equity investment and M&A” out of the estimated net proceeds of 985 million yen. So far, 283 million yen has been spent on the processes for selecting and negotiating with collaborating companies, including the enterprises with which the MOUs mentioned above were signed. And, as it turned out, there were more prospective collaborating companies than we had expected at the time of the establishment of the Business Alliance who expressed their interest in the future growth of the “inbound business.” While the Company proceeded with negotiations with these candidates, it became more likely that the business and investments would be of larger scale than initially expected. Consequently, with regard to alliances including equity investments and M&A, it is more likely that the amount will be larger than estimated when the Business Alliance was established, and that there will be more than one partner. Given such experiences, the Company believes that it needs more than the remaining amount (302 million yen) of the fund raised for “locating collaborating partners and exploring opportunities for alliances including equity investment and M&A” by issuing the Bonds with Stock Acquisition Rights. Therefore, the fund raised by the Third-Party Allotment will be allocated to “locating collaborating partners and exploring opportunities for alliances including equity investment and M&A,” together with the remaining amount of the said fund raised by issuing the Bonds with Stock Acquisition Rights. Negotiations with more than one prospective collaborating company are currently in progress, and we envisage that the fund we need will be somewhere between 1 billion to 1.5 billion yen. Planning to continue bolstering the inbound business at its core, the Company is engaging in its efforts toward forging alliances and developing businesses from mid- and long-term perspectives. In addition, that there are more prospective collaborating companies than expected means more time is needed for negotiation and preparation for alliances and M&A, and thus the Company has decided to extend the time horizon for expenditures that was planned when the Bonds with Stock Acquisition Rights were issued.

The Company envisages that collaborating companies mentioned above will mainly be online service providers (businesses that run portals, SNS, hotel/restaurant/flight reservation sites, etc.) across Asia that are likely to be used regularly by visitors or potential visitors to Japan. It plans to launch services it has developed to offer across markets targeted at visitors to Japan from these providers’ countries through alliances including equity investments in partner companies (or by setting up joint ventures or through M&A). Negotiations with some prospective collaborating companies are currently in progress. The Company will disclose any developments as appropriate.

Fund procurement method and reason for the selection

The Company needs funds for the inbound business as stated above, but at the same time it should keep as much cash available as possible to maintain its financial stability. Also in the interest of its existing shareholders, it should pay enough attention to the impact that its efforts to raise funds may have on the stock market.

The Company was already in this situation when Whiz Partners—the managing partner and prospective allottee this time—made an investment proposal related to the issuance of the Stock Acquisition Rights in April 2015, which the Company has explored since.

The Company understands that it should take existing shareholders' interests most into account, minimizing dilution and the impact on the share price as a result of the fund raising, and thus it considered the fund procurement method that should prevent one-time dilution. As stated below, after comparison with other available methods, the Company concluded that offering stock acquisition rights (i.e., dilutive-share-type scheme) would be the best option that minimizes the impact on the stock market.

Also, by setting three levels of exercise prices for the stock acquisition rights No. 1 through No. 3, dilution through the exercise of the Rights will have a gradual impact. Furthermore as funds are raised in stages, this meets the need of the Company that wishes to sequentially procure funds for forging alliances and for M&A. The Company believes that its share price is bound to rise when its corporate value increases as the “inbound business” grows through promotional efforts. Therefore, exercise prices of the stock acquisition rights No. 2 and No. 3 are set at the level of the share price the Company aims to achieve in mid- to long-term.

Special features in comparison to other fund procurement methods

- (1) Procuring funds by issuing new shares by means of a public offering or a third-party allotment makes it possible to complete the fund procurement by issuing new shares at once. However, it would also cause a one-time dilution in net income per share. Accordingly, the impact on the share price may be larger than the impact resulting from the issuance of stock acquisition rights. On the other hand, fund procurement methods this time involving stock acquisition rights whose exercise price changes during the same exercise period can be expected to relatively limit concerns about dilution, and thus to have a smaller impact on the share price than the fund procurement by issuing new shares at once because the Rights are anticipated to be exercised in stages as the share price rises.
- (2) Fund procurement methods involving convertible-bond-type bonds with stock acquisition rights make it possible to raise the entire amount of the issue when the bonds are issued. However, the amount initially procured in its entirety remains liabilities unless the bonds are converted. This means that the possibility of raising funds by taking out a bank loan may become more limited in the future because liabilities would reduce the Company's financial soundness. Dilution may be prevented if the share price rises to exceed the exercise price; otherwise the entire amount procured must be redeemed. In the case of convertible-bond-type bonds with stock acquisition rights whose exercise price is revised according to the share price (so-called MSCB) in general, the total number of shares delivered by conversion is not finalized until the conversion is complete. This makes it impossible to control the degree of dilution, making a significant and direct impact on the share price.
- (3) The Company considered using indirect financing to procure funds instead of the Third-Party Allotment. However, the Company would have to pay interest if the funds were raised by taking out a loan, and the entire amount procured would be liabilities that would reduce the Company's financial soundness, which may limit the possibility of taking out a bank loan to procure working capital in the future. Therefore, the Company concluded that it should opt for equity financing.

Points to which attentions was paid in light of the Company's needs

- (1) Mitigating the impact on the share price
The Third-Party Allotment consists of the issuance of stock acquisition rights. Issuing the three different

types of stock acquisition rights at different exercise prices is anticipated to prompt the Stock Acquisition Rights to be exercised in stages depending on the trends in the share price and other factors, so that shares can be delivered at an appropriate time. Unlike the issuance of new shares where the entire amount needed is procured at once from new stock, this will make it possible to avoid a major impact on the share price resulting from rapid changes in the supply and demand for the shares of common stock of the Company. Furthermore, the exercise prices for the stock acquisition rights No. 1, No. 2 and No. 3, resulting from discussions with the prospective allottee, are determined to be 847 yen, which was the closing price of the share of common stock of the Company on the First Section of the Tokyo Stock Exchange, Inc. (hereinafter referred to as the “Tokyo Stock Exchange”) on May 28, 2015, and 1,058 yen (up 24.9%), and 1,694 yen (up 100%), respectively. These exercise prices were fixed and no subsequent revisions are made. The Company determined these exercise prices by taking into consideration its business results, financial condition, share price trends, and other items after discussions with Whiz Partners. The exercise prices for the stock acquisition rights No. 2 and No. 3 are at the level that the Company aims to achieve as its mid- and long-term goal, and so shares can be issued at the price of this level.

(2) Curbing the effect of dilution

- Because any of the Stock Acquisition Rights has provisions that allow downward revision of the exercise price, there is no possibility that the number of shares delivered will exceed the number at the initial expectation, thereby causing further dilution.
- It is envisaged that issuing the three different types of stock acquisition rights at different exercise prices will prompt the Rights to be exercised in stages. Therefore, the impact of dilution will probably be less than the case where only the new shares are issued at once.

(3) Flexibility in capital policy

When the Board of Directors of the Company determine the date on which the Company acquires the Stock Acquisition Rights, the Company shall make an announcement or a public notice on the determination no later than one month prior to such date pursuant to the provisions of Paragraphs 2 and 3, Article 273 of the Companies Act and then can acquire, on the date of acquisition designated by the announcement or public notice, all of the Stock Acquisition Rights that remains as of such date at the price that is the same as the issue price per unit of the Stock Acquisition Rights. If the Stock Acquisition Rights are not exercised at an expected pace even when the share price is higher than the exercise price, the call provision can be executed to urge shareholders to exercise the Rights. If the Rights remain unexercised after the call, they can be acquired so that the Company will explore more effective means of fund procurement. If the Stock Acquisition Rights are not exercised because of trends in the share price, the Rights can be acquired before starting to explore new fund procurement methods, with a view to recovering prospectively dilutive shares (i.e., potential funds raised). These actions will ensure that the Company’s capital policy will remain flexible.

(4) Investment agreement

As already disclosed, the Company signed an investment agreement with Whiz Partners on August 15, 2014. An MOU pertaining to changes made to this investment agreement will also be signed on the date of issuance of the Stock Acquisition Rights (hereinafter collectively referred to as the “Investment Agreement”). The Investment Agreement includes the following provision. For more details, please refer to “6. Reason for selecting the prospective allottee (5) Investment Agreement” below.

For the period from the signing date of the Investment Agreement to the date of termination of the

Investment Agreement, the number of shares of the common stock of the Company held by Whiz Partners and the prospective allottee (in the event that there are specially related parties (specially related parties as defined in Paragraph 7, Article 27-2, of the Financial Instruments and Exchange Act), the number of shares must include the number of the shares of common stock of the Company held by the specially related parties) must always be below the number of those held by Mr. Shigeo Kuroda, President & Representative Director of the Company.

However, in the event that Mr. Shigeo Kuroda disposes of the shares of common stock of the Company that he holds, this should be the subject of discussions with Whiz Partners.

Disadvantages of fund procurement by means of stock acquisition rights

- (1) The fund cannot immediately be procured in full

One of the distinctive features of stock acquisition rights is that only if the holder exercises the rights, the fund can be raised in the amount calculated by multiplying the number of shares allotted according to the number of the rights exercised by the exercise price. This means that the fund cannot be procured in full immediately after the issuance of the Stock Acquisition Rights. However, considering that the Company plans to use the procured fund for alliances with prospective collaborating companies or M&A in series, there should be no major problem even as the fund cannot be raised in full at the initial stage, provided that more and more of the Stock Acquisition Rights are exercised as the alliances or M&A make progress.

- (2) The fund raised may be less than the amount initially expected

With the Third-Party Allotment, the fund calculated by multiplying the exercise price by the number of shares allotted according to the number of the Stock Acquisition Rights exercised will be procured only when the prospective allottee exercises the Stock Acquisition Rights. Furthermore, if the share price remains lower than the exercise price, the Stock Acquisition Rights will not be exercised, and the fund procured may turn out to be less than the amount initially expected.

- (3) Procuring the fund in full may take time

The Third-Party Allotment takes into consideration the impact of dilution as well as the fact that the fund raised will be used according to the progress of multiple projects for alliances and/or M&A. Three different types of Stock Acquisition Rights at different exercise prices will be issued, and these Stock Acquisition Rights will be exercised according to the share price. Consequently, it may take time before all the Stock Acquisition Rights are exercised. Since the Company will use the procured fund for multiple projects for alliances and/or M&A in series, it plans to spend the fund that has been raised in accordance with the progress of these projects, even as the fund procured has not reached the full amount.

As stated above, the Company needs funds for its inbound business, and believes that it should keep as much cash on hand as possible to maintain its financial stability. Procuring funds by offering the Stock Acquisition Rights has the aforementioned disadvantages, and, if the Rights are not exercised at an expected pace, the Company may need to dip into the cash available at that time. The Company nevertheless anticipates that the three types of the Stock Acquisition Rights at different exercise prices will be exercised in stages as the inbound business is promoted and expanded, pushing up the share prices. With regard to demand for funds for alliances with and/or M&A of collaborating companies, which is the purpose of the Third-Party Allotment, it will be caused in stages as projects with multiple collaborating companies make progress. Therefore, the scheme to prompt the three types of the Stock Acquisition Rights at different exercise prices to be exercised as the share price rises meets the Company's need for funds during certain periods. The scheme of the Third-Party Allotment, in which the Stock Acquisition Rights will be exercised as the Company's share price rises in tandem with the promotion and growth

of the inbound business as well as with the formation of projects for alliances with and/or merges and acquisitions of collaborating companies, is thus a reasonable fund procurement method in light of the Company's purpose of raising the funds as well as the periods when the funds are in demand.

After reviewing this fund procurement method in comparison with other methods, and taking account of the current stock market condition and the liquidity of the Company's shares, the Company concluded that financing by means of the Stock Acquisition Rights is most appropriate. The conclusion is based on the fact that, with regard to the Stock Acquisition Rights No. 2 and No. 3, shares can be issued at the level of prices that the Company aims to achieve as its mid- and long-term goal, and that, taking into consideration the impact that dilution will have on existing shareholders, the scheme uses a fixed dilution ratio from the beginning.

3. Amount, use and scheduled expenditure of funds to be raised

(1) Amounts to be raised

1) Total payment amount (Yen)	821,483,000
Of which:	
(a) Payment for the stock acquisition rights No. 1:	6,120,000
(b) Payment for the stock acquisition rights No. 2:	208,000
(c) Payment for the stock acquisition rights No. 3:	15,000
(d) Exercise of the stock acquisition rights No. 1:	508,200,000
(e) Exercise of the stock acquisition rights No. 2:	137,540,000
(f) Exercise of the stock acquisition rights No. 3:	169,400,000
2) Estimated cost of issuance (Yen)	15,000,000
3) Estimated net proceeds (Yen)	806,483,000

Notes:

- 1) The total amounts for (d), (e), and (f) that should be paid when the Stock Acquisition Rights are exercised have been calculated on the assumption that all the Stock Acquisition Rights will be exercised at the given exercise prices. If the Rights are not exercised during the rights exercise periods, and if the Company acquires and cancels the Rights, the total amounts that should be paid when the Rights are exercised will decrease, and so will the total payment amount accordingly.
- 2) The cost of issuance consists of attorney's fees, remuneration for the estimation and valuation of the Stock Acquisition Rights, third-party research organization remuneration costs relating to investigating the possibility of the existence of relationships with organized crime organizations, expenses incurred in creating the Securities Registration Statement, and the costs of making registration changes, etc.

(2) Specific use of funds procured

Specific Use	Amount (Millions of yen)	Scheduled timing of expenditure
Locating collaborating partners and exploring opportunities for alliances including equity investment and M&A to accelerate the development of the inbound business	806	June 2015 – December 2019

Notes:

- 1) The above-mentioned amount and the scheduled timing of expenditure have been estimated on a reasonable basis and using the information the Company has obtained in order to carry out "alliances including equity investment in collaborating partners and M&A" for the further development of the "inbound business." As for 1 billion yen (estimated net proceed: 985 million yen) raised by issuing the Bonds with Stock Acquisition Rights, the Company has made upfront investments of 200 million yen in "software content enhancement (e.g., translation into English as well as languages spoken in other Asian countries)" and of another 200 million yen in "system development for the one-stop gateway" as initially planned. Of the remaining 585 million yen procured by issuing the Bonds with Stock Acquisition Rights, 283 million yen has already been spent on the processes for selecting and negotiating with prospective collaborating partners, and so the remaining 302 million yen will be added to the funds to be raised by means of the Stock Acquisition Rights so that it will be spent on "Locating collaborating partners and exploring opportunities for alliances including equity investment and M&A to accelerate the development of the business" as initially planned. The Third-Party Allotment will be carried out to ensure sufficient funds for "exploring opportunities for alliances including equity investment and M&A," which are essential to the development of the "inbound business." This is because the 585 million yen (the remaining amount will be 302 million yen) raised by issuing the Bonds with

Stock Acquisition Rights may not cover all projects. The amount needed for the projects will probably be larger than expected when the Bonds with Stock Acquisition Rights were issued, and there will likely be more than one counterparty. Negotiations with several prospective collaborating companies are currently in progress. The Company envisages that the funds needed will be somewhere between 1 billion and 1.5 billion yen.

- 2) The Third-Party Allotment takes into consideration the impact of dilution as well as the fact that demand for fund will be caused as projects for alliances and/or M&A make progress. Three different types of the Stock Acquisition Rights at different exercise prices have been issued, and these Stock Acquisition Rights are expected to be exercised according to the share price. The funds raised by means of the Third-Party Allotment will be spent on multiple projects for alliances and/or M&A, and the spending will be done in stages according to the progress of the projects. Although it is impossible at this point to predict exactly when the timing of expenditure can be scheduled, projects for alliances and/or M&A will properly be disclosed.
- 3) If projects make progress and more funds are needed while all or some of the Stock Acquisition Rights have not yet been exercised owing to the status of the share price, the Company's cash available at that time will be allocated, or a different means of financing will be used, to finance the projects. Or projects may fail to be launched contrary to initial expectations, and funds that have been procured by then may not be spent on them at the above-mentioned scheduled timing of expenditure. In such a case, the Company intends to continue exploring the possibility of new projects, and to spend the funds on locating collaborating companies and using alliances, M&A, including equity investments in partner companies, which will properly be disclosed.
- 4) These funds procured for the achievement of the above-mentioned purposes will be managed through safe investments such as bank deposits etc., until they are actually dispensed.

4. Reasonableness of the use of funds

In progressing its "inbound business," the Company is engaging in upfront investment in various strategic areas that it is aiming at, having decided upon the necessity of realizing a combination of service value as well as achieving the maximization of its corporate value. After the establishment of the Business Alliance with the Whiz Group, a feasibility study was conducted over six months. As a result, the Company has decided to place at the core of the inbound business "hotel reservations for foreign tourists visiting Japan," "effective marketing and advertising targeted at foreign tourists," and "high-value-added travel planning for foreign tourists," and plans to promote the business accordingly. Since strategies for partnering with enterprises in China and other parts of Asia are vital to the development of the business, the Third-Party Allotment is meant to secure funds for locating collaborating companies and using alliances and M&A, including equity investments in partner companies. By providing and accelerating the "inbound business," the funds raised by the Third-Party Allotment allow the Company to achieve its plans for further expansion in its operations for the future, improve its profitability, and strengthen its financial base. There will be some degree of dilutive effect on the shareholdings of existing shareholders, but it is the judgment of the Company that the planned uses for the funds procured are rational, and they will contribute to raising the medium-to long-term corporate value of the Company, and eventually the shareholder value.

5. Rationale for issuing terms

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

The exercise prices of the Stock Acquisition Rights No. 1, No. 2 and No. 3 have been fixed at 847 yen (0% discount) (the same as the price of the common stock of the Company), 1,058 yen (24.9% premium rate), and 1,694 yen (100% premium rate), respectively. These prices were determined after discussions with Whiz Partners and by using the closing price (847 yen) for ordinary trading of the common stock of the Company on the Tokyo Stock Exchange on May 28, 2015. This is the trading day preceding the day that the Board of Directors approved the Third-Party Allotment (hereafter the "issuance decision day").

For the calculation of the exercise prices, the closing price for ordinary trading of 847 yen for the common stock of the Company on the Tokyo Stock Exchange on the day preceding the issuance decision day is used as the basis. The average closing price during any particular period is influenced by temporary changes in economic conditions, the environment for the stock market, changes in the Company's operations and performance, and other items. As a result, rather than using as reference an average closing share price for a

period of, for example, one, three or six months, the Company believes that using the closing price on the day before the issuance decision day of the Board of Directors, when the share price was probably determined by the Company's financial condition at the end of the most recent period (earnings release for the fiscal year ending on March 31, 2015 was released on May 15, 2015), is an accurate reflection of the value of the Company's stock.

For reference, the exercise prices of the Stock Acquisition Rights No. 1, No. 2 and No. 3 are a discount of 4.83%, a premium of 18.9%, and a premium of 90.34%, respectively, to the 890.0 yen average closing share price for ordinary trading of the common stock of the Company during the past six months ending on the day preceding the issuance decision day; a discount of 6.6%, a premium of 16.7%, a premium of 86.8%, respectively, to the 906.9 yen average closing share price for ordinary trading of the common stock of the Company during the past three months ending on the day preceding the issuance decision day; and a discount of 1.0%, a premium of 23.6%, and a premium of 98.0%, respectively, to the 855.7 yen average closing share price for ordinary trading of the common stock of the Company during the past month ending on the day preceding the issuance decision day.

To determine the issue price of the Stock Acquisition Rights, the Company, to ensure fairness, requested a valuation assessment from Plutus Consulting (3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo; Mahito Noguchi, President and CEO; hereinafter referred to as "Plutus Consulting"), which is an independent third party organization. The assessment was conducted on the basis of certain assumptions: a share price of 847 yen (the closing price for the trading day preceding the issuance decision day), dividend yield of 2.36%, rights exercise period of 4.5 years, risk-free interest rate of 0.075% and share price volatility of 20.59%. There are also reasonable assumptions for the activities of the Company and the prospective allottee. (The Company shall basically wait for the prospective allottee to exercise the Stock Acquisition Rights. The call provision will help facilitate the exercise of the Rights, or will be executed to explore even more beneficial fund procurement methods (1) after a lapse of one month or more from the issuance, assuming that at least one month will be needed to judge share price trends after the Rights are issued, and (2) if the share price rises further to exceed 300% of the base share price, given that the exercise price of the Stock Acquisition Rights No. 3, which is higher than the other two, is 200% of the Company's share price on the day preceding the issuance decision day (i.e., the price on which the exercise prices of the Stock Acquisition Rights were determined). The prospective allottee shall exercise their rights beginning from those at the lowest exercise price at any time if the share price is higher than the exercise prices. However, the number of the Rights exercised at one time shall be 3,400 shares (about 20% of the average trading volume per day (the prospective allottee provided the Company with a verbal explanation that it is expecting to exercise the rights at a level lower than that stipulated in the Japan Securities Dealers Association's rule)). Then, after selling all the shares acquired, the next rights shall be exercised.) The fair value is calculated using the Monte Carlo simulation, which is widely used for modeling the value of equity options, based on other issuance conditions as well as other relevant conditions. There were no significantly unreasonable points about the method used for the calculation, the prerequisites, and the reasonable assumptions, and thus the Company has concluded that the calculated fair value is reasonable.

The issue prices of the Stock Acquisition Rights No. 1, No. 2 and No. 3 are the same as the fair value. The payment amount per unit for the Rights No. 1, No. 2 and No. 3 are 1,020 yen (10.2 yen per share), 160 yen (1.6 yen per share) and 15 yen (0.15 yen per share), respectively. The Company has concluded that these prices are appropriate and reasonable and, therefore, that the issuance terms are not particularly advantageous.

Moreover, all of the Company's corporate auditors (including the two external corporate auditors) have expressed their opinions after they confirmed the following matters based on the details of the issuance guidelines for the types of the Stock Acquisition Rights as well as the above-mentioned fair value calculated by Plutus Consulting. They stated they had concluded that the issuance conditions of the Stock Acquisition Rights are not particularly advantageous to the prospective allottee, and thus the issuance procedures for the Stock Acquisition Rights are legitimate.

- To calculate the valuation of the Stock Acquisition Rights, knowledge and experience relating to financial problems involving issuance procedures and related operations for the Stock Acquisition Rights were considered to be essential. Plutus Consulting is believed to have this specialized knowledge and experience.
- Plutus Consulting does not have a contractual consulting relationship with either the Company or Whiz Partners, a managing partner of the prospective allottee, and it has neither investment nor personal relations with the Company. Therefore, it is independent of the Company and the Company's management team.
- Plutus Consulting performed its valuation assessment based on certain conditions (assumptions believed to be reasonable concerning the share price, rights exercise period, risk-free interest rate, share price volatility and activities of the Company and the prospective allottee; the average trading volume; the discount rate; the issuance conditions for the Stock Acquisition Rights; and various terms in the contract to be signed by the Company and the prospective allottee). Plutus Consulting used the Monte Carlo simulation, which is generally used for modeling the value of equity options to determine a fair price. The Company believes that the establishment of these conditions is reasonable and that the use of the Monte Carlo simulation is appropriate.
- Due to the above-mentioned points, the Company believes there is no problem concerning the reliance on the valuation assessment conducted by Plutus Consulting.
- The assessment documents of Plutus Consulting were used for reference at the meeting of the Board of Directors at which the Third-Party Allotment was approved. In addition, a discussion took place based on an explanation provided by the director responsible for the Third-Party Allotment.

- (2) Basis for judgment that the number of shares to be issued and the scale of share dilution are reasonable
- While the whole of the Stock Acquisition Rights to be exercised, an estimated number of shares to be issued would be 830,000 shares. This would result in a dilutive effect of 4.80% (5.00% of the voting rights) in total on the 17,307,750 shares (165,843 voting rights) issued and outstanding as of March 31, 2015.

The prospective allottee holds 1 billion yen of the Bonds with Stock Acquisition Rights, and, in principle, it plans to hold for medium and long terms shares of the common stock of the Company it will acquire by exercising the Stock Acquisition Rights and converting the Bonds with Stock Acquisition Rights. As of May 28, 2015, none of the Bonds with Stock Acquisition Rights have been converted into shares or transferred. An estimated number of shares to be issued would be 2,380,387 shares when the whole of the Stock Acquisition Rights as well as the Stock Acquisition Rights attached to the Bonds with Stock Acquisition Rights are exercised. This would result in a dilutive effect of 13.75% (14.35% of the voting rights) in total on the 17,307,750 shares (165,843 voting rights) issued and outstanding as of March 31, 2015.

The Investment Agreement stipulates that the number shares of the common stock of the Company held by the prospective allottee must always be below the number of the common stock held by Mr. Shigeo Kuroda. Therefore, if the number shares of the common stock of the Company held by the prospective allottee exceeds the number of the common stock held by Mr. Kuroda because the prospective allottee has converted more and more of the Bonds with Stock Acquisition Rights or exercised more and more of the Stock Acquisition Rights in keeping with the rising share price, the prospective allottee is anticipated to sell shares

of the common stock of the Company it holds. In this case, as stated in “6. Reason for selecting the prospective allottee (3) Policy of the prospective allottee for holding the Company's stock” below, the prospective allottee has stated orally that it will, as much as possible, seek a buyer for the stock that will yield useful synergies for the Company's business activities or become a stable shareholder of the Company. Given this policy on the common stock held by the prospective allottee and how the stock should be sold, the Company has concluded that the number of the Stock Acquisition Rights issued to the prospective allottee is reasonable.

The meeting of the Company's Board of Directors held on May 29, 2015 discussed each issuance of the Stock Acquisition Rights. This Third-Party Allotment is meant to procure long-term, stable investment funding for a stronger financial base as a way to drive the Company's growth. The Company considers that the number of shares to be issued and the level of dilution through the offerings of the Stock Acquisition Rights by means of the Third-Party Allotment are essential in order to enhance the Company's corporate value and the value of the Company's stock.

6. Reason for selecting the prospective allottee

(1) Profile of the prospective allottee

Name	Whiz Asia Evolution Fund Investment Limited Partnership	
Location	36th floor, Atago Green Hills Mori Tower 2-5-1, Atago, Minato-ku, Tokyo	
Jurisdiction	Limited Partnership Act for Investment (1998 Act No. 90, including subsequent revisions)	
Activities	The partnership was established for the purpose of investing in, and supporting the growth and development of, privately and publicly owned companies with good growth prospects in Asia, particularly in Japan.	
Established	April 1, 2013	
Total amount of investment	12,800,000,000 yen	
Major investors and investment ratio	1. 46.88% Organization for Small & Medium Enterprises and Regional Innovation, Japan * There are no other investors, other than those mentioned above, with investment ratios of 10% and over 2. 3.13% Whiz Partners Inc. (Managing partner of Whiz Asia Evolution Fund Investment Limited Partnership)	
Overview of managing partner	Name	Whiz Partners Inc.
	Location	36th floor, Atago Green Hills Mori Tower 2-5-1, Atago, Minato-ku, Tokyo
	Representative	Toshio Ando, Chief Executive Officer and President
	Business	1. Investment in, and assisting the development of, companies operating mainly in the fields of life sciences (biotechnology) and IT (information technology) in Japan and overseas 2. Establishment of investment partnerships and control and management of investment partnership assets 3. General management consulting 4. Type II financial instruments business, investment advisory, agency operations and investment management businesses
	Capital stock	100 million yen
Relationships between the Company and the fund	Relationships between the Company and the fund	Neither the Company nor persons or companies affiliated with the Company directly or indirectly invest in the fund. In addition, excluding this business alliance, there are no significant capital, personnel or business relationships between the Company, persons or companies affiliated with the Company and the investor of the fund, including the current investors. The fund holds the Bonds with Stock Acquisition Rights of 1 billion yen as of May 28, 2015.

	Relationships between the Company and the managing partner	Excluding the business alliance, there are no significant capital, personnel or business relationships between the Company and the managing partner of the fund. In addition, there are no significant capital, personnel or business relationships between the Company, persons or companies affiliated with the Company and the managing partner of the fund as well as persons or companies affiliated with the managing partner of the fund.
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* The Company asked the third-party investigation firm Tokucho Co., Ltd. (3-2-1 Kanda Surugadai, Chiyoda-ku, Tokyo; Kazue Arakawa, President and CEO) to investigate Whiz Asia Evolution Fund, the prospective allottee, and its managing partner Whiz Partners and its CEO to determine if these organizations are organized crime or other anti-social elements or have relationships with such elements. There was no report from Tokucho concerning any doubt about anti-social elements or relationships. Furthermore, the fundamental policy concerning anti-social elements on the website of the Organization for Small & Medium Enterprises and Regional Innovation, Japan, which is a major investor of the prospective allottee, states that there will be absolutely no relationships with anti-social elements. In addition, this organization will refuse any improper requests from anti-social elements and respond with legal actions. Among other investors of the prospective allottee, there are no investigations of companies listed on the Tokyo Stock Exchange but Tokucho is asked to perform investigations of privately owned companies and individuals. After checking the results of these investigations, the Company has determined that there were no reports from Tokucho concerning any doubt about anti-social elements or relationships.

The Company has submitted a statement to the Tokyo Stock Exchange confirming that the prospective allottee, its managing partner (Whiz Partners) and its CEO and an investor of the prospective allottee are not anti-social elements and have no relationships with such elements.

(2) Reason for selecting the prospective allottee

On August 15, 2014, the Company announced to enter into this business alliance with Whiz Partners Inc. ("Whiz Partners") with regard to the "inbound business" of providing information to foreign tourists visiting Japan, especially related to Asian countries, and issued the Bonds with Stock Acquisition Rights to the prospective allottee under the Third-Party Allotment. Since then, the Company has obtained proactive support to "inbound business" from the prospective allottee and Whiz Partners.

To be specific, the Company is conducting following strategies and businesses with Whiz Partners: 1) a strategic alliance with "Dianping (dianping.com)," the largest word-of-mouth IT platform in China, 2) a strategic alliance with "On The Road (117go.com)," a major Chinese information platform for personal travel, 3) a strategic alliance with a major Chinese company managing an hotel reservation platform, 4) a business for Japanese municipalities, which are encouraging branding and sending customers to charming tourist destinations, hot springs, and local products, 5) a business of introduction and reservation for one-day trips with sports and natural experiences, 6) an advertising business to raise awareness of Japanese brands, and others.

The Company received a funding proposal to issue the Stock Acquisition Rights to further develop the inbound business from Whiz Partners, the managing partner of the prospective allottee in April 2015. The Company believes that further promotion of the inbound business requires a support by Whiz Group, and selected Whiz Group as the prospective allottee as Whiz Group gains full understanding of the Company's principal business, business operation and capital policy through this business alliance.

(3) Policy of the prospective allottee for holding the Company's stock

In principle, the prospective allottee plans to be a medium- to long-term holder of shares of the common stock of the Company that it receives from the exercise of the Stock Acquisition Rights. However, the Investment Agreement stipulates that the number of the shares of common stock held by the prospective allottee do not at any time exceed the number of the Company's shares, etc. of Mr. Shigeo Kuroda, President & Representative Director of the Company. Consequently, when, along with rising share prices, the process

of conversion of the Bonds with Stock Acquisition Right or exercise of the Stock Acquisition Rights progresses, and the number of the shares of common stock held by the prospective allottee exceeds the number of the shares of common stock held by Mr. Shigeo Kuroda, the prospective allottee will sell the common stock of the Company. The prospective allottee may sell these common stocks depending on the wishes of alliance partners, changes in market conditions, demand from investors and other factors. Furthermore, shares of the common stock of the Company will not be sold on the open market simply for the purpose of recovering the initial investment. The prospective allottee has stated orally that it will, as much as possible, seek a buyer for the stock that will yield useful synergies for the Company's business activities or become a stable shareholder of the Company. The goal is to increase the valuation of the Company's stock in the stock market. However, from the standpoint of fulfilling its asset management obligations to its investors, the prospective allottee may sell shares of the common stock of the Company on the open market while taking into consideration the effect on the market, insider trading regulations and other factors, and using selling method with consideration of market liquidity, such as block trade. Whiz Partners, the managing partner of the prospective allottee, will have opportunities to obtain important facts as part of its cooperation concerning the Company's "inbound business" and other business development activities. As a result, Whiz Partners will be subject to insider trading restrictions until such important facts are announced to the public. The Company thus believes that opportunities to sell the Company's stock on the open market will be limited.

To sell the Bonds with Stock Acquisition Rights to a third party, Whiz Asia Evolution Fund, the prospective allottee, is restricted by the requirement to receive approval of the Company in the form of a resolution of the Company's Board of Directors. However, this restriction does not apply to sales to third parties of shares of the common stock of the Company that was received due to the exercise of the Stock Acquisition Rights by the prospective allottee. When stock is sold to a third party, the Company and the prospective allottee have agreed in the Investment Agreement to hold discussions concerning this sale in either of the following two cases: 1) when the prospective allottee is transferring, selling, or pledging as collateral shares of the common stock of the Company that was received by exercising the Stock Acquisition Rights more than 5% of all Company stock issued and outstanding at that time to the same third party, or converting the Bonds with Stock Acquisition Rights; or 2) when such stock is transferred, sold or pledged to a third party that has submitted a Report of Possession of Large Volume ("Report of Possession of Large Volume" as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act) or Change Report ("Change Report" as defined in Article 27-25, Paragraph 1 of the Financial Instruments and Exchange Act) concerning common stock of the Company.

The Company issued the Bonds with Stock Acquisition Rights of 1 billion yen to the prospective allottee on September 1, 2014. As of May 28, 2015, the Bonds with Stock Acquisition Rights has not been converted into shares or transferred.

(4) Details of the confirmation of the payment capacity of the prospective allottee

Whiz Partners has used a deposit book entry to confirm that Whiz Asia Evolution Fund, the prospective allottee, had a balance of 2,585 million yen as of May 25, 2015, which is sufficient to pay for the Third-Party Allotment. The Company therefore believes that there are adequate funds to make the payment for the issuance of the Bonds with Stock Acquisition Rights.

(5) Investment Agreement

The following terms are included in the Investment Agreement which is scheduled to be concluded between Whiz Partners and the Company.

1. The Company, during five years after the day the Investment Agreement is signed or during the period in which the prospective allottee has held either all or some part of the Bonds with Stock Acquisition Rights, whichever is shorter, must, when it is to decide upon or acknowledge the items below, discuss with Whiz Partners in advance (in accordance with items 1. and 2. below, if the approval of the Company is granted by the Board of Directors or by a General Meeting of Shareholders, "in advance" means before either the meeting of the Board of Directors or of Shareholders) and must receive agreement in writing from Whiz Partners.
 - (1) Organizational restructuring (merger through absorption in which the Company is dissolved, share exchange and share transfer in which the Company becomes a wholly owned subsidiary, or split in which the Company is absorbed or established as a new entity)
 - (2) Transfer or acceptance of the whole, or of an important part, of the business
 - (3) Commencement of procedures for dissolution or bankruptcy, commencement of procedures for corporate reorganization, commencement of procedures for civil rehabilitation, commencement of procedures for special liquidation, for application being made for the commencement of other types of corporate insolvency
 - (4) Expression of opinion relating to the tender offer for the Company's shares, etc. (as defined for "tender offer" in Article 27-3, Paragraph 1 of the Financial Instruments and Exchange Act. Hereinafter the same.)
 - (5) Acquisition of shares of treasury stock (including those from the tender offer)
 - (6) Delisting of shares of the common stock of the Company
2. The Company, during the period starting on the day the Investment Agreement is signed and ending five years or during the period in which the prospective allottee has held all or some part of the Stock Acquisition Rights or the Bonds with Stock Acquisition Rights, whichever is shorter, must, in any of the circumstances identified below, when the Company decides to issue common stock (regardless of the class or type) or stock acquisition rights (regardless of the class or type of the shares to which they apply, and including those attached to corporate bonds) the Company must discuss this issuance with Whiz Partners in advance and must receive agreement in writing from Whiz Partners. However, this limitation does not apply in cases in which: 1) another company that has a licensing, joint development or other type of cooperative relationship agreement with the Company wishes to make an investment to the Company; 2) Whiz Partners requests early redemption of all of the Bonds with Stock Acquisition Rights held by the prospective allottee in accordance with the provisions of the Terms and Conditions of Issuance; or 3) an agreement is reached between the Company and Whiz Partners.
 - (1) When Whiz Partners proposes to make an additional investment in the Company (hereinafter, "additional investment") and this proposal is not subsequently withdrawn, and there is a proposal for an investment in the Company by a third party ("third-party investment" hereafter), in the event that Whiz Partners or the prospective allottee decide that the terms of the third-party investment are more advantageous than the terms of the additional investment and either of the following two items is applicable.
 - 1) The issue price for the shares for the third-party investment, the conversion price for the Bonds with Stock Acquisition Rights or the exercise price for the Stock Acquisition Rights is lower than for the additional investment
 - 2) The investment target for the third-party investment is secured bonds with stock acquisition rights
 - (2) When bonds with stock acquisition rights with a clause to revise the exercise price ("bonds with stock acquisition rights with a clause to revise the exercise price" as defined in Article 19, Paragraph

8 of the Cabinet Ordinance on Disclosure of Corporate Affairs, etc., including Ordinance of the Ministry of Finance No. 5 of 1973, including subsequent revisions) are issued.

3. Whiz Partners shall, at the request of the Company, propose a candidate for director in the period in which the prospective allottee either (i) holds a total capital amount of 300 million yen or more of the Bonds with Stock Acquisition Rights or (ii) holds 450,000 shares or more of shares of the common stock of the Company, whichever is shorter. Furthermore, Whiz Partners and the Company shall conduct a sincere discussion relating to the candidate for director. In addition, the Company is responsible for submitting a proposal for the candidate to the Company's General Meeting of Shareholders.

7. Major shareholders and their shareholding ratio after offering

Before offering (As of March 31, 2015)		After offering	
Toshio Kuroda	20.65%	Toshio Kuroda	19.70%
Shigeo Kuroda	9.81%	Shigeo Kuroda	9.36%
Japan Trustee Services Bank, Ltd. (Trust account)	5.91%	Japan Trustee Services Bank, Ltd. (Trust account)	5.64%
Shobunsha Publications Employees' Stock Ownership Plan	3.77%	Whiz Asia Evolution Fund Investment Limited Partnership	4.57%
MSCO CUSTOMER SECURITIES (Standing Proxy: Morgan Stanley MUFG Securities Co., Ltd.)	2.69%	Shobunsha Publications Employees' Stock Ownership Plan	3.60%
Sumitomo Mitsui Banking Corporation	2.00%	MSCO CUSTOMER SECURITIES (Standing Proxy: Morgan Stanley MUFG Securities Co., Ltd.)	2.57%
Founder Mapple Co., Ltd.	1.03%	Sumitomo Mitsui Banking Corporation	1.91%
MTI Ltd.	1.00%	Founder Mapple Co., Ltd.	0.99%
CBNY-DFA Investment Trust Company -Japanese Small Company Series (Standing Proxy: Citibank Japan Ltd.)	0.95%	MTI Ltd.	0.95%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	0.94%	CBNY-DFA Investment Trust Company -Japanese Small Company Series (Standing Proxy: Citibank Japan Ltd.)	0.91%

Notes:

- 1) Based on the shareholder register as of March 31, 2015.
- 2) Percentages are rounded to the hundredths place.
- 3) The shareholding ratios after offering for the prospective allottee, Whiz Asia Evolution Fund are those after all Stock Acquisition Rights are exercised and shares received due to this exercise continue to be held.
- 4) Whiz Asia Evolution Fund holds the Bonds with Stock Acquisition Rights (a balance of 1 billion yen) as of this date. In the above table, holding by Whiz Asia Evolution Fund doesn't include the number of dilutive shares related to the Bonds with stock acquisition Rights. If it includes the dilutive shares related to the Bonds with Stock Acquisition Rights, the holding by Whiz Asia Evolution Fund is 12.09%.
- 5) On May 29, 2015, the Company resolved to issue stock acquisition rights No. 4 (hereinafter referred to as the "Stock Acquisition Rights") to directors, corporate auditors, and employees of the Company and subsidiaries of the Company (stock option with charge). The holding by Mr. Shigeo Kuroda in the above table doesn't include the number of dilutive shares related to this stock option.
- 6) The 679,714 shares of treasury stock held by the Company as of March 31, 2015 are not included in the list of major shareholders because this stock has no voting rights.

8. Outlook

There are no revisions to the consolidated forecast for the fiscal year ending March 31, 2016 that was announced on May 15, 2015, at this time, and we foresee the effect on the consolidated forecast for the fiscal year ending March 31, 2016 by issuing the Stock Acquisition Right is negligible.

The Company plans to use the proceeds from the Third-Party Allotment as explained in "3. Amount, use and scheduled expenditure of funds to be raised, (2) Specific use of funds procured". The Company believes that

these expenditures will lead to growth of business operations and earnings and further improve financial soundness. However, an announcement will be made promptly if there is an effect on results of operations due to the use of these proceeds in accordance with the plan.

9. Matters concerning procedures in the code of corporate conduct

The Third-Party Allotment does not require the receipt of an opinion from an independent third party or the confirmation of the wishes of shareholders as prescribed in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange. The reason is that this allotment 1) has a dilution ratio of less than 25% and 2) does not involve a change in the controlling shareholder (even if all Bonds with Stock Acquisition Rights are exercised, no change is foreseen in the controlling shareholder).

10. Results of operations for and equity finance executed in the last three years

(1) Consolidated results of operations for the last three years

	March 2013	March 2014	March 2015
Consolidated net sales (Millions of yen)	14,638	13,870	12,395
Consolidated operating income (Millions of yen)	272	659	(934)
Consolidated ordinary income (Millions of yen)	334	699	(887)
Consolidate net income (Millions of yen)	357	433	(7,042)
Consolidate net income per share (Yen)	21.52	26.07	(423.51)
Dividend per share (Yen)	20.00	20.00	20.00
Consolidate net asset per share (Yen)	1,723.08	1,744.29	1,321.77

(2) Current number of shares issued and outstanding and dilutive shares (as of May 28, 2015)

	Number of shares (shares)	Ratio to total number of shares outstanding
Number of shares issued and outstanding	17,307,750	100%
Number of dilutive shares at conversion price at this time	1,550,387	8.96%
Number of dilutive shares at the lowest conversion price	-	-
Number of dilutive shares at the highest conversion price	-	-

(3) Recent share prices

1) Situation over the last three years

	March 2013	March 2014	March 2015
Opening price (Yen)	609	580	690
High price (Yen)	645	750	1,025
Low price (Yen)	512	545	595
Closing price (Yen)	580	692	904

2) Situation over the last six months

	2014	2015				
	December	January	February	March	April	May
Opening price (Yen)	815	887	855	981	900	880
High price (Yen)	902	892	1,025	993	931	907
Low price (Yen)	815	836	818	875	880	805
Closing price (Yen)	880	865	994	904	888	847

Note: Share prices for May 2015 are as of May 28, 2015.

3) Share price as of the business day prior to the issuance decision day

	May 28, 2015
Opening price (Yen)	840
High price (Yen)	848
Low price (Yen)	840
Closing price (Yen)	847

(4) Equity finance executed in the last three years

The Issuance of Subscription for the First Unsecured Convertible-Bonds-Type Bonds with Stock Acquisition Rights to Be Issued by Allotment thereof to a Third Party

(1) Payment date	Monday, September 1, 2014
(2) Amount of funds procured	985,000,000 yen (Estimated net proceeds)
(3) Conversion price	645 yen
(4) Total number of shares outstanding at offering	17,307,750 shares
(5) Prospective allottee	Whiz Asia Evolution Fund Investment Limited Partnership
(6) Number of dilutive shares via this offering	Number of dilutive shares at original conversion price (645 yen): 1,550,387 shares
(7) Conversion at this time	Number of converted shares: Nil (Balance: 1,000,000,000 yen, conversion price: 645 yen)
(8) Initial use of funds at issuance	1) Locating collaborating companies and using alliances, M&A, including equity investments in partner companies to accelerate the development of the business: 585 million yen 2) Upgrading software content (including translating content into English and Asian languages): 200 million yen 3) System development costs for the establishment of a one-stop gateway: 200 million yen
(9) Scheduled timing of expenditure at issuance	1) October 2014 to December 2015 2) October 2014 to December 2015 3) January 2015 to December 2016
(10) Allocation at this time	1) Pursuant to the original use of fund, the Company allocated 283 million yen. 2) Pursuant to the original use of fund, the Company allocated 15 million yen. 3) Pursuant to the original use of fund, the Company allocated 122 million yen.

11. Terms and conditions of issuance

For information about the issuing terms for the Stock Acquisition Rights, please see the appendix 1 titled "Terms and Conditions for Issuance of the Shobunsha Publications, Inc. Stock Acquisition Rights No. 1", the appendix 2 titled "Terms and Conditions for Issuance of the Shobunsha Publications, Inc. Stock Acquisition Rights No. 2", and the appendix 3 titled "Terms and Conditions for Issuance of the Shobunsha Publications, Inc. Stock Acquisition Rights No. 3" at the end of this document.

(Reference) Consolidated forecasts for the current fiscal year (announced on May 15, 2015) and the results of operations for the previous fiscal year

	(Millions of yen)			
	Net sales	Operating income	Ordinary income	Net income
Forecasts for the fiscal year ending March 31, 2016	13,890	500	540	500
Results for the previous fiscal year ended March 31, 2015	12,395	(934)	(887)	(7,042)

Appendix 1

Terms and Conditions for Issuance of the Shobunsha Publications, Inc. Stock Acquisition Rights No. 1

The terms and conditions for issuance as set out below (hereinafter referred to as the “Terms and Conditions”) apply to Shobunsha Publications, Inc. Stock Acquisition Rights No. 1 that will be issued by Shobunsha Publications, Inc. (hereinafter referred to as the “Company”) on June 15, 2015 pursuant to the resolution of the Board of Directors held on May 29, 2015.

1. Name of the stock acquisition rights
Shobunsha Publications, Inc. Stock Acquisition Rights No. 1 (hereinafter referred to as the “Stock Acquisition Rights”)
2. Type and number of shares subject to the Stock Acquisition Rights
 - (1) The type of shares subject to the Stock Acquisition Rights shall be the shares of common stock of the Company and the total number thereof shall be 600,000 shares. (The number of shares delivered is 100 shares, where “the number of shares delivered” is defined as the number of the shares of common stock that the Company will newly issue or the number of the shares of common stock owned by the Company itself that the Company will dispose of instead of issuing new shares (The issue or disposal of shares of the common stock of the Company is hereinafter referred to as “delivery.”) upon request for exercise of one unit of the Stock Acquisition Rights.)
However, when the number of shares delivered is adjusted pursuant to Items (2) through (4) of this article, the total number of shares subject to the Stock Acquisition Rights will accordingly be adjusted in line with the number of shares delivered after adjustment.
 - (2) When the Company adjusts the exercise price (as defined in Item (2) of Article 10) pursuant to the provisions in Articles 11 and 12, the number of shares delivered shall be adjusted according to the following formula, with the resulting fractions of less than one share occurring upon such adjustment rounded down.
$$\text{Number of shares delivered after adjustment} = \frac{\text{Number of shares delivered before adjustment} \times \text{Exercise price before adjustment}}{\text{Exercise price after adjustment}}$$

The exercise price before adjustment and the exercise price after adjustment in the formula above shall be construed as having the same meaning as the exercise price before adjustment and the exercise price after adjustment provided in Articles 11 and 12.
 - (3) The effective date of the number of shares delivered after adjustment shall be the same as the date on which the Company applies the exercise price after adjustment that will be determined according to each reason for adjustment of exercise price that may be made pursuant to Articles 12 and 15 concerning reasons for the adjustment.
 - (4) When the number of shares delivered is adjusted, the Company shall notify in writing the holders of the Stock Acquisition Rights on implementation of the adjustment, its reason, the number of shares delivered before adjustment, the number of shares delivered after adjustment, the effective date and anything else necessary by the date immediately before the date on which the number of shares delivered after adjustment will become effective. However, if the Company is not able to make the above notification by the date immediately before the effective date, it shall do so immediately after the effective date.

3. Total number of Stock Acquisition Rights: 6,000 units
4. Payment amount for one unit of the Stock Acquisition Rights: 1,020 yen
5. Total payment amount for the Stock Acquisition Rights: 6,120,000 yen
6. Subscription date: June 15, 2015
7. Allotment date and payment date: June 15, 2015
8. Subscription handling place: Business Administration Division, Shobunsha Publications, Inc.
9. Method of offering and allottee: A third-party allotment will be used with all the Stock Acquisition Rights allotted to Whiz Asia Evolution Fund Investment Limited Partnership.
10. Value of assets to be contributed upon the exercise of the Stock Acquisition Rights
 - (1) Assets to be contributed upon the exercise of the Stock Acquisition Rights is cash and the value shall be the amount obtained by multiplying the exercise price (as defined below) by the number of shares delivered upon the exercise of the Stock Acquisition Rights.
 - (2) The value of assets to be contributed per share when the Company delivers the shares of common stock of the Company upon the exercise of the Stock Acquisition Rights (hereinafter referred to as the “exercise price”) shall be 847 yen. However, the exercise price should be subject to adjustment pursuant to the provision of Article 11.

11. Adjustment of the exercise price

If, after the Company issues the Stock Acquisition Rights, the stock acquisition rights No. 2 and the stock acquisition rights No. 3, the number of common shares issued and outstanding of the Company has been changed or may be changed due to any of the reasons provided in Article 12, the exercise price shall be adjusted according to the following formula (hereinafter referred to as the “Exercise Price Adjustment Formula”).

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares issued and outstanding} + \frac{\text{Number of shares delivered} \times \text{Payment amount per share}}{\text{Market price}}}{\text{Number of shares issued and outstanding} + \text{Number of shares delivered}}$$

12. The adjustment of the exercise price according to the Exercise Price Adjustment Formula shall be made and the effective date of the exercise price after the adjustment shall be determined as follows.

- (1) Where the Company newly issues the shares of common stock of the Company or disposes of the shares owned by the Company itself at a payment amount below the market price as stipulated in Item (2) of Article 14 (except for the cases where such shares are delivered in exchange for acquisition of shares subject to call, shares with put option, or stock acquisition rights subject to call (including those attached to bonds with stock acquisition rights) issued by the Company, or the cases where such shares are delivered by conversion, exchange or exercise of the stock acquisition rights (including those attached to bonds with stock acquisition rights), other securities or rights the holder of which can request delivery of shares of the common stock of the Company:

The exercise price after adjustment shall be effective on and after the date following the payment date (or the last date of the payment period if the payment period is established for offering; hereinafter the same shall apply); or, if there is a record date on which the shareholders receive allotment for the issue or disposal, on and after the date following the record date.

- (2) Where the Company issues the shares of common stock of the Company following the stock split of the shares of common stock of the Company or the allotment of shares of common stock of the Company without consideration:

The exercise price after adjustment shall be effective on and after the date following the record date for the stock split or on and after the date following the effective date of the allotment of shares of common stock of the Company without consideration; or, if there is a record date on which the common shareholders of the Company receive the right for the allotment of shares of common stock of the Company without consideration, on and after the date following the record date.

- (3) Where the Company issues securities that are acquired by the Company, or the holder of which can request the Company to acquire, in exchange for delivery of the shares of common stock of the Company at a price below the market price as stipulated in Item (2) of Article 14; or the Company issues the stock acquisition rights or the bonds with stock acquisition rights the holder of which can request the Company to deliver the shares of common stock of the Company (including through the allotment of shares of common stock of the Company without consideration) at a price below the market price as stipulated in Item (2) of Article 14:

The exercise price after adjustment shall be determined by applying the Exercise Price Adjustment Formula as if all of the shares with put option, stock acquisition rights (including those attached to bonds with stock acquisition rights) and other securities or rights (hereinafter collectively referred to as the “shares with put option, etc.”) to be issued were converted, exchanged or exercised at the initial terms and conditions and accordingly the shares of common stock of the Company were delivered. The exercise price after adjustment that is determined as such shall be effective on and after the payment date of the shares with put option, etc. (or the allotment date if the stock acquisition rights are issued without consideration); or, if there is a record date for the allotment of shares of common stock of the Company without consideration, on and after the date following the record date (or the effective date if the record date is not established).

Notwithstanding the above provision, where the consideration for the shares of common stock of the Company that are delivered upon conversion, exchange or exercise is not determined at the time when the shares with put option, etc. have been issued, the exercise price after adjustment shall be determined by applying the Exercise Price Adjustment Formula as if all of the shares the shares with put option, etc. that have been issued at the time when the consideration has been determined were converted, exchanged or exercised at the terms and conditions at the time when the consideration has been determined, and accordingly the shares of common stock of the Company were delivered. The exercise price after adjustment that is determined as such shall be effective on and after the date following the date when the consideration is determined.

- (4) Concerning the transactions in Items (1) through (3) of this article, where there is a record date on which the common shareholders of the Company receive the right for the allotment and the allotment of shares of common stock of the Company without consideration becomes effective subject to the approval at the General Meeting of Shareholders, the Board of Directors or other bodies of the Company that is held on or after the record date, the exercise price after adjustment shall be effective on and after the date following the date on which the approval is made.

Where the case above is applicable, the holders of the stock acquisition rights who have exercised the Stock Acquisition Rights for the period between the date following the record date and the date when the transaction is approved shall be delivered the shares of common stock of the Company according to the following formula. In such cases, any fraction of less than one share shall be rounded down and no adjustment in cash shall be made. The delivery of shares shall be made in accordance with the

provision of Item (4) of Article 24.

$$\text{Number of shares} = \frac{\left[\begin{array}{c} \text{Exercise price} \\ \text{before} \\ \text{adjustment} \end{array} - \begin{array}{c} \text{Exercise price} \\ \text{after} \\ \text{adjustment} \end{array} \right]}{\text{Exercise price after adjustment}} \times \frac{\text{Number of shares delivered} \\ \text{within the period at exercise} \\ \text{price before adjustment}}$$

13. As long as the difference between the exercise price after adjustment calculated according to the Exercise Price Adjustment Formula and the exercise price before adjustment is less than one yen, the adjustment of exercise price shall not be made. However, if there is any subsequent requiring adjustment of the exercise price and the exercise price is adjusted, the exercise price before adjustment in the Exercise Price Adjustment Formula shall be replaced by the exercise price before adjustment minus the abovementioned difference.
14.
 - (1) When the Exercise Price Adjustment Formula is used, any amount less than one yen shall be calculated to the second decimal point and rounded to the nearest first decimal point.
 - (2) The market price to be used in the Exercise Price Adjustment Formula shall be the average of the closing price (including indicative prices) on each of the 30 trading days commencing 45 trading days prior to the date on which the exercise price after adjustment is applied for the first time, excluding those days on which there is no closing price. In this case, any amount of average less than one yen shall be calculated to the second decimal point and rounded to the nearest first decimal point.
 - (3) The number of shares issued and outstanding to be used in the Exercise Price Adjustment Formula shall be the number of issued shares of common stock of the Company, net of the number of shares owned by the Company itself on the record date if there is such a date on which the common shareholders of the Company receive the right for the allotment, or on the date falling one month prior to the date on which the exercise price after adjustment is applied for the first time.
15. Other than the cases in Article 12 where the exercise price is required to be adjusted, the Company shall make necessary adjustment of the exercise price in consultation with and with approval from the holders of the Stock Acquisition Rights (those who hold the Stock Acquisition Rights; hereinafter the same shall apply) in the following cases.
 - (1) Where the adjustment of exercise price is required due to consolidation of shares, merger, incorporation-type company split as specified in Paragraph 1, Article 762 of the Companies Act, absorption-type company split as specified in Article 757 of the Companies Act, share exchange and share transfer.
 - (2) Where the adjustment of exercise price is required due to occurrence of reasons other than the above for a change or the possibility of a change in the number of issued shares of common stock of the Company
 - (3) Where the adjustment of exercise price is required due to the allotment to the common shareholder of the Company of other types of shares without consideration
 - (4) Where more than one reasons for adjustment of the exercise price occurred in series and the fair value that should be used to calculate the exercise price after adjustment due to one reason should be determined in consideration of the other reasons
16. When the exercise price is adjusted pursuant to the provisions of Articles 11 through 15, the Company shall notify in advance, in writing, the holders of the Stock Acquisition Rights on implementation of the adjustment, its reason, the exercise price before adjustment, the exercise price after adjustment, the effective date and anything else necessary by the date immediately before the date on which the exercise price after adjustment will become effective. However, if the Company is not able to make the above notification by the date immediately before the effective date, it shall do so immediately after the effective date.

17. Period for which the Stock Acquisition Rights can be exercised
The Stock Acquisition Rights can be exercised from June 15, 2015 (at the time and after completion of payment for the Stock Acquisition Rights) on to December 27, 2019. However, the Stock Acquisition Rights that are acquired pursuant to the provision of Article 19 can be exercised until the date falling five business days prior to the acquisition date that is designated in the announcement or publication on the acquisition.
18. Other terms and conditions for exercise of the Stock Acquisition Rights
Each unit of the Stock Acquisition Rights may not be exercised in part.
19. Reasons for acquisition of the Stock Acquisition Rights and terms and conditions for acquisition
 - (1) When the Board of Directors of the Company determine the date on which the Company acquires the Stock Acquisition Rights, the Company shall make an announcement or a public notice on the determination no later than one month prior to such date pursuant to the provisions of Paragraphs 2 and 3, Article 273 of the Companies Act and then shall acquire, on the date of acquisition designated by the announcement or public notice or on the date of delisting if the delisting of the common stock of the Company is decided, all of the Stock Acquisition Rights that remains as of such date at the price that is the same as the issue price per unit of the Stock Acquisition Rights.
 - (2) If the General Meeting of Shareholders (or the Board of Directors if a resolution by the General Meeting of Shareholders is not required) approves a merger agreement in which the Company becomes the absorbed company, an absorption-type company split agreement in which the Company becomes the splitting company or an incorporation-type company split plan, or a share exchange agreement in which the Company becomes the wholly owned subsidiary company or a share transfer plan, the Company shall make an announcement or a public notice on the approval pursuant to the provisions of Paragraphs 2 and 3, Article 273 of the Companies Act and then shall acquire, on the date of acquisition separately determined by the Board of Directors of the Company, all of the Stock Acquisition Rights that remains as of such date at the price that is the same as the issue price per unit of the Stock Acquisition Rights.
20. Restriction on transfer of the Stock Acquisition Rights
The transfer of the Stock Acquisition Rights shall be subject to approval by the Board of Directors of the Company.
21. Issuance of certificates of the Stock Acquisition Rights
The Company does not issue the certificates of the Stock Acquisition Rights.
22. Matters concerning capital stock and legal capital surplus to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights
 - (1) The amount of capital stock to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be a half of the maximum amount of increase in capital stock, etc., which is calculated in accordance with Article 17 of the Corporation Accounting Regulations, and any fraction less than one (1) yen arising thereof shall be rounded up to a whole yen.
 - (2) The amount of legal capital surplus to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be the amount determined by deducting the amount of stock capital to be increased provided for in (1) above from the maximum amount of increase in stock capital, etc. set forth in (1) above.
23. Basis for calculation of payment amount for the Stock Acquisition Rights and value of assets to be contributed upon their exercise
The payment amount for the Stock Acquisition Rights (1,020 yen per unit of the Stock Acquisition Rights, or 10.20 yen per share) has been determined in consideration of the Terms and Conditions and also the terms and conditioned provided the agreement to be signed with the Prospective Allotee, taking account of the

result of valuation that was performed based on the Monte Carlo simulation, which is generally used for valuation modeling, in the valuation report prepared by the independent third party organization. Furthermore, value of assets to be contributed upon the exercise of the Stock Acquisition Rights shall be determined according to the provision of Article 10 and the exercise price has been determined to be the amount equal to 100% of the closing price on May 28, 2015 for ordinary trading of shares of common stock of the Company at Tokyo Stock Exchange, Inc.

24. Method of request for exercise of the Stock Acquisition Rights

- (1) Administration regarding acceptance of the request for exercise of the Stock Acquisition Rights shall be handled at the place where the request for exercise is accepted as specified in Article 25 (hereinafter referred to as the “Place for Acceptance of Request for Exercise”).
- (2)
 - (i) The holders of the Stock Acquisition Rights who are willing to exercise the rights shall fill the necessary information including the details of the Stock Acquisition Rights subject to the exercise and the number of Stock Acquisition Rights in the form for request for exercise as provided by the Company (hereinafter referred to as “Request for Exercise Form”) with a seal and sign affixed, and then submit the Request for Exercise Form to the place for acceptance of the request for exercise during the exercise period as specified in Article 17.
 - (ii) In addition to the submission of the Request for Exercise Form, the holders of the Stock Acquisition Rights shall remit the full amount of cash as a form of capital contribution upon exercise of the Stock Acquisition Rights to the account designated by the payment handling place as specified in Article 26 (hereinafter referred to as the “Payment Handling Place”)
 - (iii) Those who has submitted the documents required to exercise the Stock Acquisition Rights to the Place for Acceptance of Request for Exercise may not subsequently withdraw the request without prior approval in writing from the Company.
- (3) The exercise of the Stock Acquisition Rights shall take effect on the date when all the document required to request for exercise have arrived at the Place for Acceptance of Request for Exercise and the full amount of cash to be contributed upon exercise of the Stock Acquisition Rights has been deposited in the account designated by the Payment Handling Place.
- (4) The Company shall notify, in accordance with Paragraph 1, Article 130 of the Act on Transfer of Bonds, Shares, etc. and other relevant laws and regulations, the book-entry transfer institutions that handle the shares of common stock of the Company on the new record information of the shares of common stock of the Company that are delivered upon the exercise of the Stock Acquisition Rights immediately after the request for exercise of the Stock Acquisition Rights takes effect.

25. Place for Acceptance of Request for Exercise

Business Administrative Division, Shobunsha Publications, Inc.

3-1 Kojimachi, Chiyoda-ku, Tokyo

26. Payment Handling Place

Kojimachi Branch of Sumitomo Mitsui Banking Corporation

27. Other

- (1) President and Representative Director of the Company is given the power to determine the other matters required to issue the Stock Acquisition Rights.
- (2) The issuance of the Stock Acquisition Rights is subject to effective filing under the Financial Instruments and Exchange Act.
- (3) If it becomes necessary to replace certain provisions of the Terms and Conditions or take any other measures due to amendment, etc. of provisions in the Companies Act or any other law, the Company shall take necessary measures.

Appendix 2

Terms and Conditions for Issuance of the Shobunsha Publications, Inc. Stock Acquisition Rights No. 2

The terms and conditions for issuance as set out below (hereinafter referred to as the “Terms and Conditions”) apply to Shobunsha Publications, Inc. Stock Acquisition Rights No. 2 that will be issued by Shobunsha Publications, Inc. (hereinafter referred to as the “Company”) on June 15, 2015 pursuant to the resolution of the Board of Directors held on May 29, 2015.

1. Name of the stock acquisition rights

Shobunsha Publications, Inc. Stock Acquisition Rights No. 2 (hereinafter referred to as the “Stock Acquisition Rights”)

2. Type and number of shares subject to the Stock Acquisition Rights

- (1) The type of shares subject to the Stock Acquisition Rights shall be the shares of common stock of the Company and the total number thereof shall be 130,000 shares. (The number of shares delivered is 100 shares, where “the number of shares delivered” is defined as the number of the shares of common stock that the Company will newly issue or the number of the shares of common stock owned by the Company itself that the Company will dispose of instead of issuing new shares (The issue or disposal of shares of the common stock of the Company is hereinafter referred to as “delivery.”) upon request for exercise of one unit of the Stock Acquisition Rights.)

However, when the number of shares delivered is adjusted pursuant to Items (2) through (4) of this article, the total number of shares subject to the Stock Acquisition Rights will accordingly be adjusted in line with the number of shares delivered after adjustment.

- (2) When the Company adjusts the exercise price (as defined in Item (2) of Article 10) pursuant to the provisions in Articles 11 and 12, the number of shares delivered shall be adjusted according to the following formula, with the resulting fractions of less than one share occurring upon such adjustment rounded down.

$$\text{Number of shares delivered after adjustment} = \frac{\text{Number of shares delivered before adjustment} \times \text{Exercise price before adjustment}}{\text{Exercise price after adjustment}}$$

The exercise price before adjustment and the exercise price after adjustment in the formula above shall be construed as having the same meaning as the exercise price before adjustment and the exercise price after adjustment provided in Articles 11 and 12.

- (3) The effective date of the number of shares delivered after adjustment shall be the same as the date on which the Company applies the exercise price after adjustment that will be determined according to each reason for adjustment of exercise price that may be made pursuant to Articles 12 and 15 concerning reasons for the adjustment.
- (4) When the number of shares delivered is adjusted, the Company shall notify in writing the holders of the Stock Acquisition Rights on implementation of the adjustment, its reason, the number of shares delivered before adjustment, the number of shares delivered after adjustment, the effective date and anything else necessary by the date immediately before the date on which the number of shares delivered after adjustment will become effective. However, if the Company is not able to make the above notification by the date immediately before the effective date, it shall do so immediately after the effective date.

3. Total number of Stock Acquisition Rights: 1,300 units
4. Payment amount for one unit of the Stock Acquisition Rights: 160 yen
5. Total payment amount for the Stock Acquisition Rights: 208,000 yen
6. Subscription date: June 15, 2015
7. Allotment date and payment date: June 15, 2015
8. Subscription handling place: Business Administration Division, Shobunsha Publications, Inc.
9. Method of offering and allottee: A third-party allotment will be used with all the Stock Acquisition Rights allotted to Whiz Asia Evolution Fund Investment Limited Partnership.
10. Value of assets to be contributed upon the exercise of the Stock Acquisition Rights
 - (1) Assets to be contributed upon the exercise of the Stock Acquisition Rights is cash and the value shall be the amount obtained by multiplying the exercise price (as defined below) by the number of shares delivered upon the exercise of the Stock Acquisition Rights.
 - (2) The value of assets to be contributed per share when the Company delivers the shares of common stock of the Company upon the exercise of the Stock Acquisition Rights (hereinafter referred to as the “exercise price”) shall be 1,058 yen. However, the exercise price should be subject to adjustment pursuant to the provision of Article 11.

11. Adjustment of the exercise price

If, after the Company issues the Stock Acquisition Rights, the stock acquisition rights No. 1 and the stock acquisition rights No. 3, the number of common shares issued and outstanding of the Company has been changed or may be changed due to any of the reasons provided in Article 12, the exercise price shall be adjusted according to the following formula (hereinafter referred to as the “Exercise Price Adjustment Formula”).

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares issued and outstanding} + \frac{\text{Number of shares delivered} \times \text{Payment amount per share}}{\text{Market price}}}{\text{Number of shares issued and outstanding} + \text{Number of shares delivered}}$$

12. The adjustment of the exercise price according to the Exercise Price Adjustment Formula shall be made and the effective date of the exercise price after the adjustment shall be determined as follows.

- (1) Where the Company newly issues the shares of common stock of the Company or disposes of the shares owned by the Company itself at a payment amount below the market price as stipulated in Item (2) of Article 14 (except for the cases where such shares are delivered in exchange for acquisition of shares subject to call, shares with put option, or stock acquisition rights subject to call (including those attached to bonds with stock acquisition rights) issued by the Company, or the cases where such shares are delivered by conversion, exchange or exercise of the stock acquisition rights (including those attached to bonds with stock acquisition rights), other securities or rights the holder of which can request delivery of shares of the common stock of the Company:

The exercise price after adjustment shall be effective on and after the date following the payment date (or the last date of the payment period if the payment period is established for offering; hereinafter the same shall apply); or, if there is a record date on which the shareholders receive allotment for the issue or disposal, on and after the date following the record date.

- (2) Where the Company issues the shares of common stock of the Company following the stock split of the shares of common stock of the Company or the allotment of shares of common stock of the Company without consideration:

The exercise price after adjustment shall be effective on and after the date following the record date for the stock split or on and after the date following the effective date of the allotment of shares of common stock of the Company without consideration; or, if there is a record date on which the common shareholders of the Company receive the right for the allotment of shares of common stock of the Company without consideration, on and after the date following the record date.

- (3) Where the Company issues securities that are acquired by the Company, or the holder of which can request the Company to acquire, in exchange for delivery of the shares of common stock of the Company at a price below the market price as stipulated in Item (2) of Article 14; or the Company issues the stock acquisition rights or the bonds with stock acquisition rights the holder of which can request the Company to deliver the shares of common stock of the Company (including through the allotment of shares of common stock of the Company without consideration) at a price below the market price as stipulated in Item (2) of Article 14:

The exercise price after adjustment shall be determined by applying the Exercise Price Adjustment Formula as if all of the shares with put option, stock acquisition rights (including those attached to bonds with stock acquisition rights) and other securities or rights (hereinafter collectively referred to as the “shares with put option, etc.”) to be issued were converted, exchanged or exercised at the initial terms and conditions and accordingly the shares of common stock of the Company were delivered. The exercise price after adjustment that is determined as such shall be effective on and after the payment date of the shares with put option, etc. (or the allotment date if the stock acquisition rights are issued without consideration); or, if there is a record date for the allotment of shares of common stock of the Company without consideration, on and after the date following the record date (or the effective date if the record date is not established).

Notwithstanding the above provision, where the consideration for the shares of common stock of the Company that are delivered upon conversion, exchange or exercise is not determined at the time when the shares with put option, etc. have been issued, the exercise price after adjustment shall be determined by applying the Exercise Price Adjustment Formula as if all of the shares the shares with put option, etc. that have been issued at the time when the consideration has been determined were converted, exchanged or exercised at the terms and conditions at the time when the consideration has been determined, and accordingly the shares of common stock of the Company were delivered. The exercise price after adjustment that is determined as such shall be effective on and after the date following the date when the consideration is determined.

- (4) Concerning the transactions in Items (1) through (3) of this article, where there is a record date on which the common shareholders of the Company receive the right for the allotment and the allotment of shares of common stock of the Company without consideration becomes effective subject to the approval at the General Meeting of Shareholders, the Board of Directors or other bodies of the Company that is held on or after the record date, the exercise price after adjustment shall be effective on and after the date following the date on which the approval is made.

Where the case above is applicable, the holders of the stock acquisition rights who have exercised the Stock Acquisition Rights for the period between the date following the record date and the date when the transaction is approved shall be delivered the shares of common stock of the Company according to the following formula. In such cases, any fraction of less than one share shall be rounded down and no adjustment in cash shall be made. The delivery of shares shall be made in accordance with the

provision of Item (4) of Article 24.

$$\text{Number of shares} = \frac{\left[\begin{array}{c} \text{Exercise price} \\ \text{before} \\ \text{adjustment} \end{array} - \begin{array}{c} \text{Exercise price} \\ \text{after} \\ \text{adjustment} \end{array} \right]}{\text{Exercise price after adjustment}} \times \frac{\text{Number of shares delivered} \\ \text{within the period at exercise} \\ \text{price before adjustment}}{\text{Exercise price after adjustment}}$$

13. As long as the difference between the exercise price after adjustment calculated according to the Exercise Price Adjustment Formula and the exercise price before adjustment is less than one yen, the adjustment of exercise price shall not be made. However, if there is any subsequent requiring adjustment of the exercise price and the exercise price is adjusted, the exercise price before adjustment in the Exercise Price Adjustment Formula shall be replaced by the exercise price before adjustment minus the abovementioned difference.
14.
 - (1) When the Exercise Price Adjustment Formula is used, any amount less than one yen shall be calculated to the second decimal point and rounded to the nearest first decimal point.
 - (2) The market price to be used in the Exercise Price Adjustment Formula shall be the average of the closing price (including indicative prices) on each of the 30 trading days commencing 45 trading days prior to the date on which the exercise price after adjustment is applied for the first time, excluding those days on which there is no closing price. In this case, any amount of average less than one yen shall be calculated to the second decimal point and rounded to the nearest first decimal point.
 - (3) The number of shares issued and outstanding to be used in the Exercise Price Adjustment Formula shall be the number of issued shares of common stock of the Company, net of the number of shares owned by the Company itself on the record date if there is such a date on which the common shareholders of the Company receive the right for the allotment, or on the date falling one month prior to the date on which the exercise price after adjustment is applied for the first time.
15. Other than the cases in Article 12 where the exercise price is required to be adjusted, the Company shall make necessary adjustment of the exercise price in consultation with and with approval from the holders of the Stock Acquisition Rights (those who hold the Stock Acquisition Rights; hereinafter the same shall apply) in the following cases.
 - (1) Where the adjustment of exercise price is required due to consolidation of shares, merger, incorporation-type company split as specified in Paragraph 1, Article 762 of the Companies Act, absorption-type company split as specified in Article 757 of the Companies Act, share exchange and share transfer.
 - (2) Where the adjustment of exercise price is required due to occurrence of reasons other than the above for a change or the possibility of a change in the number of issued shares of common stock of the Company
 - (3) Where the adjustment of exercise price is required due to the allotment to the common shareholder of the Company of other types of shares without consideration
 - (4) Where more than one reasons for adjustment of the exercise price occurred in series and the fair value that should be used to calculate the exercise price after adjustment due to one reason should be determined in consideration of the other reasons
16. When the exercise price is adjusted pursuant to the provisions of Articles 11 through 15, the Company shall notify in advance, in writing, the holders of the Stock Acquisition Rights on implementation of the adjustment, its reason, the exercise price before adjustment, the exercise price after adjustment, the effective date and anything else necessary by the date immediately before the date on which the exercise price after adjustment will become effective. However, if the Company is not able to make the above notification by the date immediately before the effective date, it shall do so immediately after the effective date.

17. Period for which the Stock Acquisition Rights can be exercised
The Stock Acquisition Rights can be exercised from June 15, 2015 (at the time and after completion of payment for the Stock Acquisition Rights) on to December 27, 2019. However, the Stock Acquisition Rights that are acquired pursuant to the provision of Article 19 can be exercised until the date falling five business days prior to the acquisition date that is designated in the announcement or publication on the acquisition.
18. Other terms and conditions for exercise of the Stock Acquisition Rights
Each unit of the Stock Acquisition Rights may not be exercised in part.
19. Reasons for acquisition of the Stock Acquisition Rights and terms and conditions for acquisition
 - (1) When the Board of Directors of the Company determine the date on which the Company acquires the Stock Acquisition Rights, the Company shall make an announcement or a public notice on the determination no later than one month prior to such date pursuant to the provisions of Paragraphs 2 and 3, Article 273 of the Companies Act and then shall acquire, on the date of acquisition designated by the announcement or public notice or on the date of delisting if the delisting of the common stock of the Company is decided, all of the Stock Acquisition Rights that remains as of such date at the price that is the same as the issue price per unit of the Stock Acquisition Rights.
 - (2) If the General Meeting of Shareholders (or the Board of Directors if a resolution by the General Meeting of Shareholders is not required) approves a merger agreement in which the Company becomes the absorbed company, an absorption-type company split agreement in which the Company becomes the splitting company or an incorporation-type company split plan, or a share exchange agreement in which the Company becomes the wholly owned subsidiary company or a share transfer plan, the Company shall make an announcement or a public notice on the approval pursuant to the provisions of Paragraphs 2 and 3, Article 273 of the Companies Act and then shall acquire, on the date of acquisition separately determined by the Board of Directors of the Company, all of the Stock Acquisition Rights that remains as of such date at the price that is the same as the issue price per unit of the Stock Acquisition Rights.
20. Restriction on transfer of the Stock Acquisition Rights
The transfer of the Stock Acquisition Rights shall be subject to approval by the Board of Directors of the Company.
21. Issuance of certificates of the Stock Acquisition Rights
The Company does not issue the certificates of the Stock Acquisition Rights.
22. Matters concerning capital stock and legal capital surplus to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights
 - (1) The amount of capital stock to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be a half of the maximum amount of increase in capital stock, etc., which is calculated in accordance with Article 17 of the Corporation Accounting Regulations, and any fraction less than one (1) yen arising thereof shall be rounded up to a whole yen.
 - (2) The amount of legal capital surplus to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be the amount determined by deducting the amount of stock capital to be increased provided for in (1) above from the maximum amount of increase in stock capital, etc. set forth in (1) above.
23. Basis for calculation of payment amount for the Stock Acquisition Rights and value of assets to be contributed upon their exercise
The payment amount for the Stock Acquisition Rights (160 yen per unit of the Stock Acquisition Rights, or 1.60 yen per share) has been determined in consideration of the Terms and Conditions and also the terms and conditioned provided the agreement to be signed with the Prospective Allotee, taking account of the result of

valuation that was performed based on the Monte Carlo simulation, which is generally used for valuation modeling, in the valuation report prepared by the independent third party organization. Furthermore, value of assets to be contributed upon the exercise of the Stock Acquisition Rights shall be determined according to the provision of Article 10 and the exercise price has been determined to be the amount equal to 124.9% of the closing price on May 28, 2015 for ordinary trading of shares of common stock of the Company at Tokyo Stock Exchange, Inc.

24. Method of request for exercise of the Stock Acquisition Rights

- (1) Administration regarding acceptance of the request for exercise of the Stock Acquisition Rights shall be handled at the place where the request for exercise is accepted as specified in Article 25 (hereinafter referred to as the “Place for Acceptance of Request for Exercise”).
- (2)
 - (i) The holders of the Stock Acquisition Rights who are willing to exercise the rights shall fill the necessary information including the details of the Stock Acquisition Rights subject to the exercise and the number of Stock Acquisition Rights in the form for request for exercise as provided by the Company (hereinafter referred to as “Request for Exercise Form”) with a seal and sign affixed, and then submit the Request for Exercise Form to the place for acceptance of the request for exercise during the exercise period as specified in Article 17.
 - (ii) In addition to the submission of the Request for Exercise Form, the holders of the Stock Acquisition Rights shall remit the full amount of cash as a form of capital contribution upon exercise of the Stock Acquisition Rights to the account designated by the payment handling place as specified in Article 26 (hereinafter referred to as the “Payment Handling Place”)
 - (iii) Those who has submitted the documents required to exercise the Stock Acquisition Rights to the Place for Acceptance of Request for Exercise may not subsequently withdraw the request without prior approval in writing from the Company.
- (3) The exercise of the Stock Acquisition Rights shall take effect on the date when all the document required to request for exercise have arrived at the Place for Acceptance of Request for Exercise and the full amount of cash to be contributed upon exercise of the Stock Acquisition Rights has been deposited in the account designated by the Payment Handling Place.
- (4) The Company shall notify, in accordance with Paragraph 1, Article 130 of the Act on Transfer of Bonds, Shares, etc. and other relevant laws and regulations, the book-entry transfer institutions that handle the shares of common stock of the Company on the new record information of the shares of common stock of the Company that are delivered upon the exercise of the Stock Acquisition Rights immediately after the request for exercise of the Stock Acquisition Rights takes effect.

25. Place for Acceptance of Request for Exercise

Business Administrative Division, Shobunsha Publications, Inc.

3-1 Kojimachi, Chiyoda-ku, Tokyo

26. Payment Handling Place

Kojimachi Branch of Sumitomo Mitsui Banking Corporation

27. Other

- (1) President and Representative Director of the Company is given the power to determine the other matters required to issue the Stock Acquisition Rights.
- (2) The issuance of the Stock Acquisition Rights is subject to effective filing under the Financial Instruments and Exchange Act.
- (3) If it becomes necessary to replace certain provisions of the Terms and Conditions or take any other measures due to amendment, etc. of provisions in the Companies Act or any other law, the Company shall take necessary measures.

Appendix 3

Terms and Conditions for Issuance of the Shobunsha Publications, Inc. Stock Acquisition Rights No. 3

The terms and conditions for issuance as set out below (hereinafter referred to as the “Terms and Conditions”) apply to Shobunsha Publications, Inc. Stock Acquisition Rights No. 3 that will be issued by Shobunsha Publications, Inc. (hereinafter referred to as the “Company”) on June 15, 2015 pursuant to the resolution of the Board of Directors held on May 29, 2015.

1. Name of the stock acquisition rights

Shobunsha Publications, Inc. Stock Acquisition Rights No. 3 (hereinafter referred to as the “Stock Acquisition Rights”)

2. Type and number of shares subject to the Stock Acquisition Rights

- (1) The type of shares subject to the Stock Acquisition Rights shall be the shares of common stock of the Company and the total number thereof shall be 100,000 shares. (The number of shares delivered is 100 shares, where “the number of shares delivered” is defined as the number of the shares of common stock that the Company will newly issue or the number of the shares of common stock owned by the Company itself that the Company will dispose of instead of issuing new shares (The issue or disposal of shares of the common stock of the Company is hereinafter referred to as “delivery.”) upon request for exercise of one unit of the Stock Acquisition Rights.)

However, when the number of shares delivered is adjusted pursuant to Items (2) through (4) of this article, the total number of shares subject to the Stock Acquisition Rights will accordingly be adjusted in line with the number of shares delivered after adjustment.

- (2) When the Company adjusts the exercise price (as defined in Item (2) of Article 10) pursuant to the provisions in Articles 11 and 12, the number of shares delivered shall be adjusted according to the following formula, with the resulting fractions of less than one share occurring upon such adjustment rounded down.

$$\text{Number of shares delivered after adjustment} = \frac{\text{Number of shares delivered before adjustment} \times \text{Exercise price before adjustment}}{\text{Exercise price after adjustment}}$$

The exercise price before adjustment and the exercise price after adjustment in the formula above shall be construed as having the same meaning as the exercise price before adjustment and the exercise price after adjustment provided in Articles 11 and 12.

- (3) The effective date of the number of shares delivered after adjustment shall be the same as the date on which the Company applies the exercise price after adjustment that will be determined according to each reason for adjustment of exercise price that may be made pursuant to Articles 12 and 15 concerning reasons for the adjustment.
- (4) When the number of shares delivered is adjusted, the Company shall notify in writing the holders of the Stock Acquisition Rights on implementation of the adjustment, its reason, the number of shares delivered before adjustment, the number of shares delivered after adjustment, the effective date and anything else necessary by the date immediately before the date on which the number of shares delivered after adjustment will become effective. However, if the Company is not able to make the above notification by the date immediately before the effective date, it shall do so immediately after the effective date.

3. Total number of Stock Acquisition Rights: 1,000 units
4. Payment amount for one unit of the Stock Acquisition Rights: 15 yen
5. Total payment amount for the Stock Acquisition Rights: 15,000 yen
6. Subscription date: June 15, 2015
7. Allotment date and payment date: June 15, 2015
8. Subscription handling place: Business Administration Division, Shobunsha Publications, Inc.
9. Method of offering and allottee: A third-party allotment will be used with all the Stock Acquisition Rights allotted to Whiz Asia Evolution Fund Investment Limited Partnership.
10. Value of assets to be contributed upon the exercise of the Stock Acquisition Rights
 - (1) Assets to be contributed upon the exercise of the Stock Acquisition Rights is cash and the value shall be the amount obtained by multiplying the exercise price (as defined below) by the number of shares delivered upon the exercise of the Stock Acquisition Rights.
 - (2) The value of assets to be contributed per share when the Company delivers the shares of common stock of the Company upon the exercise of the Stock Acquisition Rights (hereinafter referred to as the “exercise price”) shall be 1,694 yen. However, the exercise price should be subject to adjustment pursuant to the provision of Article 11.

11. Adjustment of the exercise price

If, after the Company issues the Stock Acquisition Rights, the stock acquisition rights No. 1 and the stock acquisition rights No. 2, the number of common shares issued and outstanding of the Company has been changed or may be changed due to any of the reasons provided in Article 12, the exercise price shall be adjusted according to the following formula (hereinafter referred to as the “Exercise Price Adjustment Formula”).

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares issued and outstanding} + \frac{\text{Number of shares delivered} \times \text{Payment amount per share}}{\text{Market price}}}{\text{Number of shares issued and outstanding} + \text{Number of shares delivered}}$$

12. The adjustment of the exercise price according to the Exercise Price Adjustment Formula shall be made and the effective date of the exercise price after the adjustment shall be determined as follows.
 - (1) Where the Company newly issues the shares of common stock of the Company or disposes of the shares owned by the Company itself at a payment amount below the market price as stipulated in Item (2) of Article 14 (except for the cases where such shares are delivered in exchange for acquisition of shares subject to call, shares with put option, or stock acquisition rights subject to call (including those attached to bonds with stock acquisition rights) issued by the Company, or the cases where such shares are delivered by conversion, exchange or exercise of the stock acquisition rights (including those attached to bonds with stock acquisition rights), other securities or rights the holder of which can request delivery of shares of the common stock of the Company:
The exercise price after adjustment shall be effective on and after the date following the payment date (or the last date of the payment period if the payment period is established for offering; hereinafter the same shall apply); or, if there is a record date on which the shareholders receive allotment for the issue or disposal, on and after the date following the record date.

- (2) Where the Company issues the shares of common stock of the Company following the stock split of the shares of common stock of the Company or the allotment of shares of common stock of the Company without consideration:

The exercise price after adjustment shall be effective on and after the date following the record date for the stock split or on and after the date following the effective date of the allotment of shares of common stock of the Company without consideration; or, if there is a record date on which the common shareholders of the Company receive the right for the allotment of shares of common stock of the Company without consideration, on and after the date following the record date.

- (3) Where the Company issues securities that are acquired by the Company, or the holder of which can request the Company to acquire, in exchange for delivery of the shares of common stock of the Company at a price below the market price as stipulated in Item (2) of Article 14; or the Company issues the stock acquisition rights or the bonds with stock acquisition rights the holder of which can request the Company to deliver the shares of common stock of the Company (including through the allotment of shares of common stock of the Company without consideration) at a price below the market price as stipulated in Item (2) of Article 14:

The exercise price after adjustment shall be determined by applying the Exercise Price Adjustment Formula as if all of the shares with put option, stock acquisition rights (including those attached to bonds with stock acquisition rights) and other securities or rights (hereinafter collectively referred to as the “shares with put option, etc.”) to be issued were converted, exchanged or exercised at the initial terms and conditions and accordingly the shares of common stock of the Company were delivered. The exercise price after adjustment that is determined as such shall be effective on and after the payment date of the shares with put option, etc. (or the allotment date if the stock acquisition rights are issued without consideration); or, if there is a record date for the allotment of shares of common stock of the Company without consideration, on and after the date following the record date (or the effective date if the record date is not established).

Notwithstanding the above provision, where the consideration for the shares of common stock of the Company that are delivered upon conversion, exchange or exercise is not determined at the time when the shares with put option, etc. have been issued, the exercise price after adjustment shall be determined by applying the Exercise Price Adjustment Formula as if all of the shares the shares with put option, etc. that have been issued at the time when the consideration has been determined were converted, exchanged or exercised at the terms and conditions at the time when the consideration has been determined, and accordingly the shares of common stock of the Company were delivered. The exercise price after adjustment that is determined as such shall be effective on and after the date following the date when the consideration is determined.

- (4) Concerning the transactions in Items (1) through (3) of this article, where there is a record date on which the common shareholders of the Company receive the right for the allotment and the allotment of shares of common stock of the Company without consideration becomes effective subject to the approval at the General Meeting of Shareholders, the Board of Directors or other bodies of the Company that is held on or after the record date, the exercise price after adjustment shall be effective on and after the date following the date on which the approval is made.

Where the case above is applicable, the holders of the stock acquisition rights who have exercised the Stock Acquisition Rights for the period between the date following the record date and the date when the transaction is approved shall be delivered the shares of common stock of the Company according to the following formula. In such cases, any fraction of less than one share shall be rounded down and no adjustment in cash shall be made. The delivery of shares shall be made in accordance with the

provision of Item (4) of Article 24.

$$\text{Number of shares} = \frac{\left[\begin{array}{c} \text{Exercise price} \\ \text{before} \\ \text{adjustment} \end{array} - \begin{array}{c} \text{Exercise price} \\ \text{after} \\ \text{adjustment} \end{array} \right]}{\text{Exercise price after adjustment}} \times \frac{\text{Number of shares delivered} \\ \text{within the period at exercise} \\ \text{price before adjustment}}$$

13. As long as the difference between the exercise price after adjustment calculated according to the Exercise Price Adjustment Formula and the exercise price before adjustment is less than one yen, the adjustment of exercise price shall not be made. However, if there is any subsequent requiring adjustment of the exercise price and the exercise price is adjusted, the exercise price before adjustment in the Exercise Price Adjustment Formula shall be replaced by the exercise price before adjustment minus the abovementioned difference.
14.
 - (1) When the Exercise Price Adjustment Formula is used, any amount less than one yen shall be calculated to the second decimal point and rounded to the nearest first decimal point.
 - (2) The market price to be used in the Exercise Price Adjustment Formula shall be the average of the closing price (including indicative prices) on each of the 30 trading days commencing 45 trading days prior to the date on which the exercise price after adjustment is applied for the first time, excluding those days on which there is no closing price. In this case, any amount of average less than one yen shall be calculated to the second decimal point and rounded to the nearest first decimal point.
 - (3) The number of shares issued and outstanding to be used in the Exercise Price Adjustment Formula shall be the number of issued shares of common stock of the Company, net of the number of shares owned by the Company itself on the record date if there is such a date on which the common shareholders of the Company receive the right for the allotment, or on the date falling one month prior to the date on which the exercise price after adjustment is applied for the first time.
15. Other than the cases in Article 12 where the exercise price is required to be adjusted, the Company shall make necessary adjustment of the exercise price in consultation with and with approval from the holders of the Stock Acquisition Rights (those who hold the Stock Acquisition Rights; hereinafter the same shall apply) in the following cases.
 - (1) Where the adjustment of exercise price is required due to consolidation of shares, merger, incorporation-type company split as specified in Paragraph 1, Article 762 of the Companies Act, absorption-type company split as specified in Article 757 of the Companies Act, share exchange and share transfer.
 - (2) Where the adjustment of exercise price is required due to occurrence of reasons other than the above for a change or the possibility of a change in the number of issued shares of common stock of the Company
 - (3) Where the adjustment of exercise price is required due to the allotment to the common shareholder of the Company of other types of shares without consideration
 - (4) Where more than one reasons for adjustment of the exercise price occurred in series and the fair value that should be used to calculate the exercise price after adjustment due to one reason should be determined in consideration of the other reasons
16. When the exercise price is adjusted pursuant to the provisions of Articles 11 through 15, the Company shall notify in advance, in writing, the holders of the Stock Acquisition Rights on implementation of the adjustment, its reason, the exercise price before adjustment, the exercise price after adjustment, the effective date and anything else necessary by the date immediately before the date on which the exercise price after adjustment will become effective. However, if the Company is not able to make the above notification by the date immediately before the effective date, it shall do so immediately after the effective date.

17. Period for which the Stock Acquisition Rights can be exercised
The Stock Acquisition Rights can be exercised from June 15, 2015 (at the time and after completion of payment for the Stock Acquisition Rights) on to December 27, 2019. However, the Stock Acquisition Rights that are acquired pursuant to the provision of Article 19 can be exercised until the date falling five business days prior to the acquisition date that is designated in the announcement or publication on the acquisition.
18. Other terms and conditions for exercise of the Stock Acquisition Rights
Each unit of the Stock Acquisition Rights may not be exercised in part.
19. Reasons for acquisition of the Stock Acquisition Rights and terms and conditions for acquisition
 - (1) When the Board of Directors of the Company determine the date on which the Company acquires the Stock Acquisition Rights, the Company shall make an announcement or a public notice on the determination no later than one month prior to such date pursuant to the provisions of Paragraphs 2 and 3, Article 273 of the Companies Act and then shall acquire, on the date of acquisition designated by the announcement or public notice or on the date of delisting if the delisting of the common stock of the Company is decided, all of the Stock Acquisition Rights that remains as of such date at the price that is the same as the issue price per unit of the Stock Acquisition Rights.
 - (2) If the General Meeting of Shareholders (or the Board of Directors if a resolution by the General Meeting of Shareholders is not required) approves a merger agreement in which the Company becomes the absorbed company, an absorption-type company split agreement in which the Company becomes the splitting company or an incorporation-type company split plan, or a share exchange agreement in which the Company becomes the wholly owned subsidiary company or a share transfer plan, the Company shall make an announcement or a public notice on the approval pursuant to the provisions of Paragraphs 2 and 3, Article 273 of the Companies Act and then shall acquire, on the date of acquisition separately determined by the Board of Directors of the Company, all of the Stock Acquisition Rights that remains as of such date at the price that is the same as the issue price per unit of the Stock Acquisition Rights.
20. Restriction on transfer of the Stock Acquisition Rights
The transfer of the Stock Acquisition Rights shall be subject to approval by the Board of Directors of the Company.
21. Issuance of certificates of the Stock Acquisition Rights
The Company does not issue the certificates of the Stock Acquisition Rights.
22. Matters concerning capital stock and legal capital surplus to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights
 - (1) The amount of capital stock to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be a half of the maximum amount of increase in capital stock, etc., which is calculated in accordance with Article 17 of the Corporation Accounting Regulations, and any fraction less than one (1) yen arising thereof shall be rounded up to a whole yen.
 - (2) The amount of legal capital surplus to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be the amount determined by deducting the amount of stock capital to be increased provided for in (1) above from the maximum amount of increase in stock capital, etc. set forth in (1) above.
23. Basis for calculation of payment amount for the Stock Acquisition Rights and value of assets to be contributed upon their exercise
The payment amount for the Stock Acquisition Rights (15 yen per unit of the Stock Acquisition Rights, or 0.15 yen per share) has been determined in consideration of the Terms and Conditions and also the terms and conditioned provided the agreement to be signed with the Prospective Allotee, taking account of the result of

valuation that was performed based on the Monte Carlo simulation, which is generally used for valuation modeling, in the valuation report prepared by the independent third party organization. Furthermore, value of assets to be contributed upon the exercise of the Stock Acquisition Rights shall be determined according to the provision of Article 10 and the exercise price has been determined to be the amount equal to 200% of the closing price on May 28, 2015 for ordinary trading of shares of common stock of the Company at Tokyo Stock Exchange, Inc.

24. Method of request for exercise of the Stock Acquisition Rights

- (1) Administration regarding acceptance of the request for exercise of the Stock Acquisition Rights shall be handled at the place where the request for exercise is accepted as specified in Article 25 (hereinafter referred to as the “Place for Acceptance of Request for Exercise”).
- (2)
 - (i) The holders of the Stock Acquisition Rights who are willing to exercise the rights shall fill the necessary information including the details of the Stock Acquisition Rights subject to the exercise and the number of Stock Acquisition Rights in the form for request for exercise as provided by the Company (hereinafter referred to as “Request for Exercise Form”) with a seal and sign affixed, and then submit the Request for Exercise Form to the place for acceptance of the request for exercise during the exercise period as specified in Article 17.
 - (ii) In addition to the submission of the Request for Exercise Form, the holders of the Stock Acquisition Rights shall remit the full amount of cash as a form of capital contribution upon exercise of the Stock Acquisition Rights to the account designated by the payment handling place as specified in Article 26 (hereinafter referred to as the “Payment Handling Place”)
 - (iii) Those who has submitted the documents required to exercise the Stock Acquisition Rights to the Place for Acceptance of Request for Exercise may not subsequently withdraw the request without prior approval in writing from the Company.
- (3) The exercise of the Stock Acquisition Rights shall take effect on the date when all the document required to request for exercise have arrived at the Place for Acceptance of Request for Exercise and the full amount of cash to be contributed upon exercise of the Stock Acquisition Rights has been deposited in the account designated by the Payment Handling Place.
- (4) The Company shall notify, in accordance with Paragraph 1, Article 130 of the Act on Transfer of Bonds, Shares, etc. and other relevant laws and regulations, the book-entry transfer institutions that handle the shares of common stock of the Company on the new record information of the shares of common stock of the Company that are delivered upon the exercise of the Stock Acquisition Rights immediately after the request for exercise of the Stock Acquisition Rights takes effect.

25. Place for Acceptance of Request for Exercise

Business Administrative Division, Shobunsha Publications, Inc.

3-1 Kojimachi, Chiyoda-ku, Tokyo

26. Payment Handling Place

Kojimachi Branch of Sumitomo Mitsui Banking Corporation

27. Other

- (1) President and Representative Director of the Company is given the power to determine the other matters required to issue the Stock Acquisition Rights.
- (2) The issuance of the Stock Acquisition Rights is subject to effective filing under the Financial Instruments and Exchange Act.
- (3) If it becomes necessary to replace certain provisions of the Terms and Conditions or take any other measures due to amendment, etc. of provisions in the Companies Act or any other law, the Company shall take necessary measures.