

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, Business Administration Div.
Phone No.:	03-3556-8171

Announcement of the Issuance of Stock Options with Charge (Stock Acquisition Rights)

Shobunsha Publications, Inc. (hereinafter referred to as the "Company") announces that at the meeting of its Board of Directors held on May 29, 2015, it 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 its subsidiaries as described below pursuant to the provisions of Articles 236, 238 and 240 of the Companies Act. These Stock Acquisition Rights will be issued without approval of a general meeting of shareholders, as these are issued with charge at the price equivalent to the fair value and not particularly favorable for individuals who are allotted the Stock Acquisition Rights.

1. Purpose of and reasons for offering the Stock Acquisition Rights

The Stock Acquisition Rights will be issued to directors, corporate auditors and employees of the Company and its subsidiaries and these individuals will purchase these rights. The purpose is to reinforce the motivation of these individuals and their commitment to increasing sales and earnings in order to achieve further growth in the corporate value of the Shobunsha Publications Group over the medium and long term.

If all of the Stock Acquisition Rights are exercised, the maximum dilution is 4.96% based on the 17,307,750 shares of stock issued as of the date of the resolution to issue these rights. Their purpose is to increase the motivation of executives and employees of the Company and its subsidiaries to improve sales and earnings. Consequently, the Stock Acquisition Rights can be exercised only if operating income on the consolidated income statement is more than 0 yen in either the fiscal year ending in March 2016 (April 1, 2015 to March 31, 2016) or the fiscal year ending in March 2017 (April 1, 2016 to March 31, 2017) (hereinafter referred to as the "Exercise Condition"). The company believes that achieving this target will contribute to the growth of both corporate and shareholder values, thereby producing benefits for current shareholders as well. In addition, holders of the Stock Acquisition Rights will not receive any benefits unless the Company's stock price is higher than the sum of the exercise price and the amount paid for these rights. As a result, the Company believes that the Stock Acquisition Rights will develop the interest of its executives, employees and its subsidiaries in the stock price and give them a greater incentive to increase the stock price. Furthermore, holders of Stock Acquisition Rights will be vulnerable to the same risks associated with the Company's performance and stock price volatility as shareholders are. The Company thus believes the Stock Acquisition Rights will participate in enhancing the corporate value. Consequently, although the Stock Acquisition Rights will cause dilution to some degree, the Company considers that the contribution to the growth of both corporate and shareholder values will produce benefits for current shareholders, too. For these reasons, the Company has concluded that the level of dilution resulting from issuing the Stock Acquisition Rights is reasonable.

As is explained in the following item 2. (1), directors, corporate auditors and employees of the Company and its subsidiaries will receive the right to receive Stock Acquisition Rights and these individuals will pay for these rights. By having group executives and employees pay for these, the Company aims to create a strong incentive for becoming more interested in achieving the Exercise Condition and in the stock price. There is a

risk of these executives and employees losing the amount paid for the Stock Acquisition Rights if the Exercise Condition is not fulfilled or the Stock Acquisition Rights are not exercised because the stock price does not increase.

The Company's representative director is committed to fulfilling the Exercise Condition and rising this price. He will urge the group's executives and employees to purchase the Stock Acquisition Rights in order to have the same goal of fulfilling the Exercise Condition and lift the stock price. To demonstrate his determination to fulfill these goals, the Company's representative director has stated that he will buy all Stock Acquisition Rights that are offered but not purchased.

The following allocation of Stock Acquisition Rights was determined by taking into consideration the contributions of these individuals to the Company.

2. Summary of the issuance of the Stock Acquisition Rights

(1) Persons to be allotted the Stock Acquisition Rights and the number thereof, and the number of Stock Acquisition Rights to be allotted (tentative)

	Persons to be allotted	Number of Stock Acquisition Rights
Representative Directors of the Company:	1	4,900
Directors of the Company:	4	800
Corporate auditors of the Company:	3	75
Employees of the Company:	392	2,322
Directors of subsidiaries of the Company:	10	205
Employees of subsidiaries of the Company:	70	282
Total:	480	8,584

(2) Class and number of shares underlying the Stock Acquisition Rights

The class of the shares underlying the Stock Acquisition Rights shall be common shares of the Company, and the number of shares underlying the Stock Acquisition Rights shall be 100 shares for each right. In the case that the Company conducts a stock split (including the allotment of shares of common stock of the Company without consideration; hereinafter the same shall apply) or a consolidation of shares, the number of shares to be issued upon exercise of Stock Acquisition Rights shall be adjusted in accordance with the following formula. However, this adjustment will be performed only for shares to be issued upon exercise of Stock Acquisition Rights that have not been exercised at the time of the stock split or consolidation of shares.

$$\text{Number of Shares after Adjustment} = \text{Number of Shares before Adjustment} \times \text{Ratio of the Split or Consolidation}$$

In addition, if there is a need to adjust the number of shares underlying the Stock Acquisition Rights due to a merger with another company, company split, or any other similar corporate procedure after the allotment date of the Stock Acquisition Rights, the Company shall appropriately adjust the number of shares to a reasonable extent.

In this regard, any fractions of less than one share arising from the adjustment above shall be discarded.

(3) Total number of Stock Acquisition Rights

8,584

(4) Amount to be paid upon allocation of the Stock Acquisition Rights

The issue price for one Stock Acquisition Right shall be 2,500 yen.

The fair value is calculated using the Monte Carlo simulation, which is widely used for modeling the value of equity options. The assessment was conducted based on the closing price for ordinary trading of 847 yen for the common shares of the Company on the Tokyo Stock Exchange on the day preceding the Board of Directors' resolution for issuance of the Stock Acquisition Rights, share price volatility of 20.59%, dividend yield of 2.36%, risk-free interest rate of 0.075%, as well as the certain conditions in accordance with the terms and conditions of issuance for the Stock Acquisition Rights (exercise price of 847 yen per share, rights exercise period of 4.5 years, exercise condition, acquisition terms).

(5) Value of assets to be contributed upon the exercise of Stock Acquisition Rights

The value of assets to be contributed upon the exercise of Stock Acquisition Rights shall be the amount calculated by multiplying the amount to be paid per share (hereinafter referred to as the "Exercise Price") by the number of shares allotted due to the exercise of the Stock Acquisition Rights. The Exercise Price shall be 847 yen (closing price for ordinary trading for the common stock of the Company on the Tokyo Stock Exchange on the day preceding the Board of Directors' resolution for the issuance of the Stock Acquisition Rights.)

If the Company splits or consolidates its common shares, the Exercise Price shall be adjusted according to the following calculation formula, and any fractions of less than one yen arising from the adjustment shall be rounded up:

Exercise Price after Adjustment = Exercise Price before Adjustment x (1 / Ratio of the Split or Consolidation)

If the Company conducts a merger, company split, or any other similar corporate procedure that requires an adjustment of the Exercise Price, it shall be adjusted to the necessary and reasonable extent.

(6) Period for the exercise of Stock Acquisition Rights

The period for the exercise of Stock Acquisition Rights shall start on July 9, 2015, and expire on December 27, 2019.

(7) Conditions for the exercise of Stock Acquisition Rights

- i. Holders of Stock Acquisition Rights can exercise these rights only if either of the operating income amounts are more than 0 yen in the consolidated income statement for either the fiscal year ending in March 2016 (April 1, 2015 to March 31, 2016) or the fiscal year ending in March 2017 (April 1, 2016 to March 31, 2017) in the Securities Report submitted in accordance with the Financial Instruments and Exchange Act. Furthermore, if there is a change in the scope of consolidation resulting in the Company preparing only a non-consolidated income statement, the operating income requirement will be for the non-consolidated rather than consolidated income statement.
- ii. Holders of the Stock Acquisition Rights may not exercise any remaining rights after they have ended a term of office or resigned from a position at the Company or a subsidiary. However, if an individual is no longer qualified to exercise Stock Acquisition Rights because the Company or a subsidiary decided to end the individual's employment, the Company may, after taking into account the associated circumstances, provide permission in writing for the individual to exercise Stock Acquisition Rights. In this case, these holders of the Stock Acquisition Rights can exercise the rights that they normally would not have been able to exercise due to the loss of their qualification. Stock Acquisition Rights can be exercised during the period starting on the day an individual was no longer qualified to exercise the rights and ending either after one year or on the end of the exercise period, whichever is sooner.
- iii. Individuals who inherit Stock Acquisition Rights following the death of a holder cannot exercise the rights

- iv. The partial exercise of a single Stock Acquisition Right is prohibited.
- v. Other terms for the exercise of Stock Acquisition Rights will be determined in Stock Acquisition Right allocation contracts between the Company and individuals who receive these rights.

(8) Amount of capital and capital reserve to be increased as a result of the issuance of shares upon the exercise of Stock Acquisition Rights

- i. The amount of capital to be increased as a result of the issuance of shares upon the exercise of Stock Acquisition Rights shall be half of the maximum amount of increase in capital, etc. to be calculated pursuant to Article 17, Paragraph 1 of the Corporate Accounting Rules, and any fractions of less than one yen arising from the calculation shall be rounded up.
- ii. The amount of capital reserve to be increased as a result of the issuance of shares upon the exercise of Stock Acquisition Rights shall be the amount calculated by subtracting the amount of increase in capital described in i. above from the maximum amount of increase in capital, etc. described in i. above.

(9) Provisions regarding the acquisition of Stock Acquisition Rights

- i. If a general meeting of shareholders of the Company approves (or the Board of Directors resolutions, if the approval of a general meeting of shareholders is not required) a proposal for the approval of a merger agreement under which the Company will become a dissolving company, a proposal for the approval of a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, or a proposal for the approval of an absorption-type company split agreement or an incorporation-type company split plan under which the Company will become a splitting company, the Company shall be entitled to obtain all of its Stock Acquisition Rights without compensation on a date separately specified by the Board of Directors of the Company.
- ii. If a holder of Stock Acquisition Rights is no longer able to exercise these rights as prescribed in item (7) even though the individual still has these rights, the Company can acquire at no cost the remaining rights on a date determined by the Company's Board of Directors.
- iii. If a holder of Stock Acquisition Rights asks to abandon any rights held, the Company can acquire at no cost these rights on a date determined by the Company's Board of Directors.

(10) Restriction on the transfer of Stock Acquisition Rights

The acquisition of Stock Acquisition Rights by transfer shall be subject to the approval of the Board of Directors of the Company.

(11) Treatment of the Stock Acquisition Rights in relation to Organizational Restructuring

If the Company conducts a merger (only those through which the Company becomes a dissolving company), an absorption-type or incorporation-type company split, a share exchange or a transfer (hereinafter collectively referred to as the "Organizational Restructuring"), it shall grant the Stock Acquisition Rights of the stock company described in Article 236, Paragraph 1, Item 8 (a) to (e) of the Companies Act (hereinafter referred to as the "Restructured Company"), to any holders of Stock Acquisition Rights. It shall be done on the date of the implementation of the Organizational Restructuring, only to the extent that the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan provides for the issuance of Stock Acquisition Rights of the Restructured Company according to the provisions of the respective items below:

- i. Number of stock acquisition rights of the Restructured Company to be issued
The same number as the Remaining Stock Acquisition Rights held by the Rights Holders.
- ii. Class of shares of the Restructured Company underlying the Stock Acquisition Rights of the Restructured Company
Common shares of the Restructured Company.
- iii. Number of shares of the Restructured Company underlying the Stock Acquisition Rights of the Restructured Company
Shall be determined in accordance with the provisions of (2) above, taking into consideration the conditions for the Organizational Restructuring and any other related matters.
- iv. Value of assets to be contributed upon the exercise of the Stock Acquisition Rights
The value of assets to be contributed upon the exercise of the respective Stock Acquisition Rights issued by the Restructured Company shall be the amount obtained by multiplying the amount paid in after the restructuring, which shall be obtained by adjusting the Exercise Price described in (5) above by the number of shares of the Restructured Company underlying the Stock Acquisition Rights of the Restructured Company, which shall be determined according to (2) above, taking into consideration the conditions for the Organizational Restructuring and any other related matters.
- v. Period for the exercise of the Stock Acquisition Rights
The period shall start from either the first date of the exercise period provided in (6) above or the effective date of the Organizational Restructuring, whichever comes later, and expire upon the date of expiration of the exercise period provided in (6) above.
- vi. Matters regarding the amount of capital and capital reserve to be increased as a result of the issuance of shares upon the exercise of Stock Acquisition Rights
Shall be determined in accordance with the provisions of (8) above.
- vii. Restriction on the acquisition of the Stock Acquisition Rights by transfer
Acquisition of the Stock Acquisition Rights by transfer shall be subject to approval by a resolution of the Board of Directors of the Restructured Company.
- viii. Other conditions for the exercise of Stock Acquisition Rights
Shall be determined in accordance with the provisions of (7) above.
- ix. Reasons and conditions to acquire Stock Acquisition Rights
Shall be determined in accordance with the provisions of (9) above.
- x. Other conditions shall be determined in the same manner as those for the Reorganized Corporation.

(12) Date of allotment of the Stock Acquisition Rights

Wednesday, July 8, 2015

(13) Certificates of the Stock Acquisition Rights

The Company does not issue certificates of the Stock Acquisition Rights.

(14) Due date for payment in exchange for the Stock Acquisition Rights

Wednesday, July 15, 2015

(15) Subscription date

Tuesday, June 30, 2015