



(English translation for reference purposes only)

Press release on June 25, 2020

Takamiya Co., Ltd.

Representative Director, President and Chairman: Mr. Kazumasa Takamiya

Listed on: Tokyo Stock Exchange (1st Section)

Stock code: 2445

Notice Regarding the Granting of Stock Options ("Subscription rights to shares") to Director
(Notice on Determination, etc. of Subscription Requirements)

In accordance with Article 238, paragraphs 1 and 2, and Article 240, paragraph 1 of the Companies Act, at Director meeting held today, we decided on Subscription rights to shares offering items to be allocated as stock options to our Director (excluding Outside Director) with the aim of increasing our willingness to contribute to Stock price growth and improved business by sharing the benefits and risks of Stock price change with shareholders, and we notified us of the following decisions to solicit persons to subscribe for Subscription rights to shares.

The specific amount to be paid and undecided Other, net of the subscription Subscription rights to shares will be determined on July 16, 2020, the scheduled date for the allocation of Subscription rights to shares.

Notes

1. Name of Subscription rights to shares

The 14th Subscription rights to shares of Takamiya Co., Ltd. ("Subscription rights to shares")

2. The persons to whom Subscription rights to shares is allocated and the total number of Subscription rights to shares to be allocated

Our Director 6 people 1295 units

In addition, in the event the total number of Subscription rights to shares to be allocated is reduced, such as in the event no application for subscription is made, the total number shall be the total number of Subscription rights to shares to be allocated.

3. The class and the number of the shares subject to Subscription rights to shares

The class of shares contemplated in this Subscription rights to shares shall be our common shares and the number of shares contemplated in this Subscription rights to shares (hereinafter referred to as the "number of granted shares") shall be one hundred shares.

In addition, in the event that, after the Allotment Date (as set forth in 13 below, the same shall apply hereinafter), we execute a share split, allotment of shares without contribution, or consolidation of shares with respect to our common shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than one share resulting from the adjustment shall be rounded down.

Number of shares granted after adjustment = Number of shares granted before adjustment x
Ratio of stock split, free share allotment or consolidation

In the case of a share split or a gratuitous allotment of shares, the adjusted number of granted shares shall apply on and after the day following the record date for the said share split or gratuitous allotment of shares, and in the case of a consolidation of shares, on and after the effective date. Provided, however, that in the event that a share split or gratuitous allotment is made on the condition that a proposal to increase Capital stock or reserve by reducing the amount of surplus is approved at our general meeting of shareholders, and the day prior to the conclusion of the said general meeting of shareholders is the record date for the share split or gratuitous allotment, the

adjusted number of granted shares shall apply from the day following the conclusion of the said general meeting of shareholders.

In addition, in the event that Subscription rights to shares succeeds to the Company through an absorption-type or consolidation-type merger, or in the event that Subscription rights to shares succeeds to the Company through a share-for-share exchange or share transfer in which we become a wholly-owned subsidiary, the Company may adjust the number of granted shares as deemed necessary in accordance with the merger ratio, etc.

When adjusting the number of granted shares, the Company shall notify or publicly notify the holders of each Subscription rights to shares stated in Subscription rights to shares Registry of the necessary matters (hereinafter referred to as the "Holders of Subscription rights to shares") no later than the day prior to the date on which the adjusted number of granted shares is applied. Provided, however, that where the notification or public notice cannot be made by the day preceding the date of application, the notification or public notice shall be made promptly thereafter.

4. Amount of property to be contributed upon exercise of Subscription rights to shares

The value of the property to be contributed upon the exercise of each Subscription rights to shares shall be the amount obtained by multiplying one yen of the amount to be paid per share which can be delivered by the exercise of each such Subscription rights to shares by the number of granted shares.

5. Period during which Subscription rights to shares can be exercised

From July 17, 2020 to July 16, 2050.

6. Matters regarding Capital stock and additional paid-in capital in cases where shares are issued as a result of exercising Subscription rights to shares

(1) The amount of Capital stock to be increased upon the issuance of shares by exercising this Subscription rights to shares shall be the amount obtained by multiplying Capital stock increase limit amount calculated in accordance with Paragraph 1 of Article 17 of the Corporate Accounting Rules by 0.5, and any fraction less than ¥1 yen resulting from such calculation shall be rounded up.

(2) The amount of additional paid-in capital to be increased when issuing shares upon the exercise of this Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in (1) above from Capital stock increase limit as set forth in (1) above.

7. Subscription rights to shares Acquisition Authorization

If this Subscription rights to shares is acquired by transfer, it must be approved by Director meeting.

8. Subscription rights to shares Acquisition Clause

If any of the following items (1), (2), (3), (4) or (5) is approved at our shareholders' meeting (if no resolution is required at our Director meeting), we may obtain this Subscription rights to shares free of charge on the date otherwise determined by Director meeting.

(1) Proposal to approve a merger agreement in which we will become an extinct company

(2) Proposals to approve the split agreement or the incorporation-type split plan, in which we will become a spin-off company

(3) Proposal to approve a share-for-share exchange agreement or a share transfer plan that will become a wholly-owned subsidiary

(4) Proposal for Approval of Amendment to the Articles of Incorporation that provides for the acquisition of the relevant shares by transfer to be approved by us as a feature of all shares issued by us

(5) Proposal for approval of amendment to the articles of incorporation which provides that as the subject matter of the shares which are the subject matter of Subscription rights to shares, we shall require approval for the acquisition of such shares by transfer or that we shall acquire all of such shares of such class by resolution of a shareholders meeting.

9. Matters concerning the handling of Subscription rights to shares in cases of mergers, Absorption-type Company Splits, Incorporation-type Company Splits, Share Exchanges and Share Transfer;

Where we carry out a merger (limited to cases where we are extinguished as a result of a merger), an absorption-type company split or an incorporation-type company split (limited to cases where each of us becomes a wholly-owned subsidiary company), or a share exchange or a share transfer (limited to cases where each of us becomes a wholly-owned subsidiary company) (collectively hereinafter referred to as a "reorganization act"), we shall deliver to holders of Subscription rights of Share who hold the Subscription rights of Share (hereinafter referred to as "Remaining Subscription rights of Share") listed in Article 236, paragraph (1), item (viii), (a) to (e) of the Companies Act (hereinafter referred to as the "Reorganized Company") that remain in existence immediately prior to the effective date of the reorganization act (the effective date of the merger, the effective date of the incorporation-type company split for the absorption-type company split, the effective date of the incorporation-type company split for the absorption-type company split, the effective date of the incorporation-type company split for the share exchange, the effective date of the incorporation-type company split for the share exchange, and the effective date of the parent company incorporated as a share transfer for the share transfer). Provided, however, that the delivery of Subscription rights to shares of the reorganized company in accordance with the following conditions shall be stipulated in the Absorption-type Merger Agreement, the Consolidation-type Merger Agreement, the Absorption-type Company Split Agreement, the Incorporation-type Company Split Plan, the Share Exchange Agreement, or the Share Transfer Plan.

(1) The number of Subscription rights to shares of the subject company to reorganization to be issued

The same number as the number of remaining Subscription rights to shares held by Subscription rights to shares shall be delivered respectively.

(2) The class of shares of the reorganized company which is the object of Subscription rights to shares.

Common stock of the company to be reorganized.

(3) The number of shares of the subject company to reorganization that is the objective of Subscription rights to shares

Determination shall be made in accordance with "3." above, taking into consideration the conditions of the act of organizational restructuring, etc.

(4) Amount of property to be contributed upon exercise of Subscription rights to shares

i. The value of the property to be contributed upon the exercise of each Subscription rights to shares to be delivered shall be the amount obtained by multiplying the amount to be paid after reorganization by the number of shares of the reorganized company subject to the reorganization as determined in accordance with (3) above.

ii. The amount to be paid in after the reorganization shall be ¥1 yen per share for the shares of the Company to be reorganized, which can be delivered by exercising Subscription rights to shares to be delivered.

(5) Period during which Subscription rights to shares can be exercised

The date on which Subscription rights to shares set forth in Article 5 above can be exercised and the date on which the reorganization action takes effect, whichever is later, shall be the date on which the period specified in Article 5 above can be exercised expires.

(6) Matters regarding Capital stock and additional paid-in capital in cases where shares are issued as a result of exercising Subscription rights to shares

Determine in accordance with 6 above.

(7) Restrictions on Acquisition of Subscription rights to shares by Assignment

The acquisition of Subscription rights to shares by transfer shall be approved by a resolution of Director meeting of the reorganized company.

(8) Subscription rights to shares Acquisition Clause

The decision is made in accordance with the above 8.

(9) Conditions for exercising Subscription rights to shares of other

Determine in accordance with "11." below.

10. Arrangement of fractions of less than one share arising upon exercise of Subscription rights to shares

In the event the number of shares to be delivered to Subscription rights to shares who exercised this Subscription rights to shares is less than one (1) share, such fraction shall be rounded down to the nearest one (1) share.

11. Conditions for exercising Subscription rights to shares of other

(1) Subscription rights to shares shall be able to exercise this Subscription rights to shares only for 10 days from the day following the date of the loss of our position of either Director or Corporate Auditor.

(2) In the event that a Subscription rights to shares dies, an heir shall be entitled to exercise the right.

12. Calculation of Subscription rights to shares Payment Amount

The amount to be paid for each Subscription rights to shares shall be the price of each share multiplied by the number of shares granted (rounded to the nearest whole number) calculated based on the following basic values (2) to (7) according to the Black-Scholes model:

$$C = Se^{-qT} N(d) - Xe^{-rT} N(d - \sigma\sqrt{T})$$

Here,

$$d = \frac{\ln\left(\frac{S}{X}\right) + \left(r - q + \frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

(1) Option price per share “C”

(2) Stock price “S”: the closing price of our common shares on the Tokyo Stock Exchange on July 16, 2020 (if there is no closing price on the same day, the base price on the following trading day)

(3) Exercise price “X”: 1 yen

(4) Expected residual maturity “T”: 15 years

(5) Volatility “σ”: Stock price volatility based on the closing price of our common shares on the last trading day of each week for 15 years (July 17, 2005 to July 16, 2020)

(6) Risk-free interest rate “r”: The interest rate on government bonds with a maturity corresponding to the expected maturity

(7) Dividend yield “q”: Dividends per share (simple mean of actual dividends for the last two fiscal years)/Stock price stipulated in (2) above

(8) Cumulative distribution function of the standardized normal distribution “N(·)”

※ The amounts calculated above are the fair values of Subscription rights to shares and do not qualify as favorable issues.

※ The compensation claims that the person to whom the quota is allocated owes to us are offset by Subscription rights to shares's payment obligations.

13. Date of allotment of Subscription rights to shares

July 16, 2020

14. The due date for the payment of the monies in exchange for Subscription rights to shares;

Payment will be made on July 16, 2020.

15. Subscription rights to shares's place to receive requests for exercise

Our General Affair Department (In addition, in the event of a change in the person in charge of services pertaining to acceptance of exercise requests, the department in charge of said services shall be the department in charge of said services.)

16. Place of payment to be handled when exercising Subscription rights to shares

Branch in front of Osaka Station, Bank of Mitsubishi UFJ, Ltd. (or a bank or department thereof that succeeds to its business)

(end)