

Announcement Regarding Determination of Terms of Issue of Zero Coupon Convertible Bonds due 2023

MIROKU JYOHU SERVICE CO., LTD. (hereinafter the "Company") hereby announces the determination of the terms of issue and certain other matters in respect of the issuance of Zero Coupon Convertible Bonds due 2023 (bonds with stock acquisition rights (*tenkanshasaigata shinkabu yoyakuken-tsuki shasai*)) (the "Bonds with Stock Acquisition Rights", of which the bonds and the stock acquisition rights are to be hereinafter referred to as the "Bonds" and the "Stock Acquisition Rights", respectively) which was approved at its Board of Directors' meeting held on November 28, 2018. Such determined terms, as well as those that were already determined, are presented as follows.

1. Matters Relating to the Stock Acquisition Rights

(1) The Price of the Asset to be Contributed upon Exercise of the Stock Acquisition Rights	Equal to the principal amount of the Bonds
(2) Conversion Price	¥3,082

(Reference)

Share Price, etc. on the Pricing Date (November 28, 2018)

(1) Share Price (Closing Price) on the Tokyo Stock Exchange	¥2,751
(2) Conversion Premium [{(Conversion Price)/(Share Price (Closing Price)) - 1}×100]	12.03%

(Reference)

1. Outline of the Bonds with Stock Acquisition Rights

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| (1) Aggregate Principal Amount of the Bonds | ¥11 billion plus an aggregate principal amount of the Bonds in respect of replacement certificates of the Bonds with Stock Acquisition Rights |
| (2) Date of Resolution for the Issuance | November 28, 2018 |
| (3) Closing Date and Issue Date of the Bonds | December 14, 2018 (London time; unless otherwise indicated, hereinafter the same shall apply) |
| (4) Period during which the Stock Acquisition Rights Are Exercisable | At any time during the period from, and including, December 28, 2018 to, and including, November 30, 2023 (at the local time of the place where the Stock Acquisition Right is to be exercised); provided, however, that (i) if the relevant Bond shall have been called for early redemption, then up to the third business day in Tokyo prior to the date fixed for redemption thereof (excluding the Stock Acquisition Rights incorporated in the Bonds being |

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In particular the Bonds and the Shares issuable upon exercise of the Stock Acquisition Rights (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States. The Securities may not be offered or sold within the United States absent registration or an exemption from the registration requirements of the Securities Act. There will be no public offer of Securities in the United States.

called for redemption but elected by the relevant bondholder not to be redeemed); (ii) if the relevant Bond shall have been purchased and cancelled by the Company, then up to the time when such Bond is so cancelled; or (iii) if the relevant Bond shall become due and repayable, then up to the time when the Bond becomes so due and repayable.

In any of the foregoing events, the Stock Acquisition Rights shall not be exercised after November 30, 2023 (at the local time of the place as aforesaid).

Notwithstanding the foregoing, the Stock Acquisition Rights may not be exercised for such period as may be designated by the Company, which period may not exceed 30 days, and which period shall end on a date not later than 14 days after the effective date of the Corporate Event if the Company reasonably determines that such suspension is necessary in order to consummate the Corporate Event. The Stock Acquisition Rights may not be exercised if the day on which the exercise of the Stock Acquisition Rights will become effective (or, if such day would not be a business day in Tokyo, the immediately following business day in Tokyo) would fall on a date falling within the period from the second business day in Tokyo prior to the record date specified by the Company or any other date set for the purpose of determination of shareholders in connection with Paragraph 1 of Article 151 of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. (collectively, the "Shareholder Determination Date") (or, if such Shareholder Determination Date would not be a business day in Tokyo, the third business day in Tokyo prior to such Shareholder Determination Date) to such Shareholder Determination Date (or, if such Shareholder Determination Date would not be a business day in Tokyo, the immediately following business day in Tokyo); provided that if there is a change to the mandatory provisions of Japanese law and regulation or practice relating to the delivery of shares upon exercise of stock acquisition rights through book-entry transfer system established pursuant to the Act on Book-Entry Transfer of Company Bonds, Shares, etc., then the limitation on the period during which the Stock Acquisition Rights may be exercised pursuant to this paragraph may be amended by the Company to reflect such change in law, regulation or practice.

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| (5) | Maturity Date | December 14, 2023 |
| (6) | Information on Dilutive Shares | After the issuance of the Bonds with Stock Acquisition Rights, the ratio of the number of potentially dilutive shares to the total number of issued shares |

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In particular the Bonds and the Shares issuable upon exercise of the Stock Acquisition Rights (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States. The Securities may not be offered or sold within the United States absent registration or an exemption from the registration requirements of the Securities Act. There will be no public offer of Securities in the United States.

as of November 20, 2018 (excluding treasury stock) will be 11.43%. The ratio of the number of potentially dilutive shares is calculated by dividing the number of Shares to be issued when all Stock Acquisition Rights relating to the Bonds with Stock Acquisition Rights are exercised at the respective initial conversion price, by the total number of issued shares as of November 20, 2018 (excluding treasury stock).

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