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(Stock Exchange Code 4286)
March 7, 2016

To Shareholders with Voting Rights:

Junichiro Uchikawa
President & CEO
LEGS COMPANY, LTD.
2-4-12 Jingumae, Shibuya-ku, Tokyo

**NOTICE OF
THE 28TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 28th Annual General Meeting of Shareholders of LEGS COMPANY, LTD. (the "Company"), which will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by means of either of the following methods, and are kindly requested to exercise your voting rights on or before 6 p.m., Tuesday, March 22, 2016 (Japan time), after reviewing the attached "Reference Documents for the General Meeting of Shareholders."

[Exercising your voting rights by mail]

Please indicate "approval" or "disapproval" for the proposals on the enclosed Voting Rights Exercise Form and return it so that it will reach the Company no later than the deadline designated above.

[Exercising your voting rights via the internet]

Please access the website for exercise of voting rights (<http://www.it-soukai.com>) designated by the Company and register "approval" or "disapproval" for the proposals according to the guidance on the screen using your Voting Rights Exercise Code and Password, both of which are indicated on the enclosed Voting Rights Exercise Form.

If you exercise your voting rights both by mail and via the Internet, the exercise via the Internet shall be effective.

- 1. Date and Time:** Wednesday, March 23, 2016 at 10:00 a.m. Japan time
- 2. Place:** Room: Akebono (1F) at Meiji Kinenkan located at
2-2-23 Moto-Akasaka, Minato-ku, Tokyo, Japan

Please note that starting this year, no souvenir will be made available to the attending shareholders, although we presented them with souvenirs at the previous meetings. We sincerely request your understanding and acceptance.

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 28th Fiscal Year (January 1, 2015 - December 31, 2015) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 28th Fiscal Year (January 1, 2015 - December 31, 2015)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendment to the Articles of Incorporation
Proposal 3: Issuance of Stock Acquisition Rights as Stock Options
Proposal 4: Decision on the Details and the Amounts of Compensations by Stock Options for Directors and Audit & Supervisory Board Members

1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. Among the documents which should be provided together with this Notice, the following notes are made available on the Company's website at <http://www.legs.co.jp>, pursuant to the applicable laws and regulations and Article 16 of the Articles of Incorporation of the Company. Accordingly, these notes are not provided in this Notice. The Consolidated Financial Statements and the Non-consolidated Financial Statements contained in the Appendix hereto are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements which were audited when accounting audit reports and audit reports were prepared by the Accounting Auditor and the Audit & Supervisory Board Members.
 - (1) Notes to the Consolidated Financial Statements
 - (2) Notes to the Non-consolidated Financial StatementsShould the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<http://www.legs.co.jp>).
3. Please bring this leaflet to the meeting with you for paper resources saving.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividend

Taking into account such factors as the current financial results and the future business operations, the Company proposes the year-end dividend for the 28th Fiscal Year as follows.

(a) Allotment of dividend assets and the total amount thereof

The Company proposes the payment of 17 yen per share of common stock.

The total amount of dividend in this case will be 179,384,000 yen.

(b) Effective date of distribution of surplus

The effective date will be March 24, 2016.

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the Amendment

- (a) In line with the relocation of the head office of the Company, the address of the head office in Article 3 (Address of Head Office) of the current Articles of Incorporation shall be amended from “Shibuya-ku, Tokyo” to “Minato-ku, Tokyo.”

In addition, this amendment shall come into effect on May 9, 2016, the relocation date of the head office which was decided at the meeting held by the Board of Directors on February 24, 2016, and in order to clarify this matter, a supplementary provision shall be established.

- (b) The Company’s Board of Directors consisting of a small number of board members enables sufficient discussions and quick decision-making. However, taking into account the Company’s future business range expansion and the present 7 members of the Board of Directors, the number of board members set forth in Article 20 (Number of Directors) of the current Articles of Incorporation of the Company shall be amended from “7 or less Directors” to “10 or less Directors.”

- (c) The scope of corporate officers with whom a company can enter into an agreement to limit their liabilities was amended under the “Act for Partial Revision of the Companies Act” (Act No. 90 of 2014), which came into effect on May 1, 2015.

In line with this change, with regard to Directors, the scope of officers with whom the Company enters into an agreement to limit their liabilities is widened from Outside Directors to include non-executive Directors, and with regard to Audit & Supervisory Board Members, the scope is widened from Outside Audit & Supervisory Board Members to include Audit & Supervisory Board Members. Accordingly, Article 28, Paragraph 2 (which is provided for Outside Directors) and Article 37, Paragraph 2 (which is provided for Outside Audit & Supervisory Board Members) of the Company’s current Articles of Incorporation shall be both amended so that these Directors and Audit & Supervisory Board Members can fulfill their expected roles. For the amendment to Article 28, Paragraph 2, each Audit & Supervisory Board Member has given consent.

2. Description of the Amendment

Description of the amendment is as follows:

(Amended parts are underlined.)

Current	Proposed amendment
<p>(Address of Head Office) Article 3. The Company locates its head office at <u>Shibuya-ku, Tokyo.</u></p>	<p>(Address of Head Office) Article 3. The Company locates its head office at <u>Minato-ku, Tokyo.</u></p>
<p>(Number of Directors) Article 20. The Company shall have <u>7 or less</u> Directors.</p>	<p>(Number of Directors) Article 20. The Company shall have <u>10 or less</u> Directors.</p>
<p>(Exemption of Liabilities of Directors) Article 28. 2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into a contract with <u>Outside Directors</u> for the purpose of limiting their liabilities for compensation of damages stipulated in Article 423, Paragraph 1, provided, however, that the maximum amount of liability under such contract shall be the larger of a previously designated amount of 3 million yen or more or an amount stipulated by laws and regulations.</p>	<p>(Exemption of Liabilities of Directors) Article 28. 2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into a contract with <u>Directors (excluding executive Directors, etc.)</u> for the purpose of limiting their liabilities for compensation of damages stipulated in Article 423, Paragraph 1, provided, however, that the maximum amount of liability under such contract shall be the larger of a previously designated amount of 3 million yen or more or an amount stipulated by laws and regulations.</p>
<p>(Exemption of Liabilities of Audit & Supervisory Board Members) Article 37. 2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into a contract with <u>Outside Audit & Supervisory Board Members</u> for the purpose of limiting their liabilities for compensation of damages stipulated in Article 423, Paragraph 1, provided, however, that the maximum amount of liability under such contract shall be the larger of a previously designated amount of 3 million yen or more or an amount stipulated by laws and regulations.</p>	<p>(Exemption of Liabilities of Audit & Supervisory Board Members) Article 37. 2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into a contract with <u>Audit & Supervisory Board Members</u> for the purpose of limiting their liabilities for compensation of damages stipulated in Article 423, Paragraph 1, provided, however, that the maximum amount of liability under such contract shall be the larger of a previously designated amount of 3 million yen or more or an amount stipulated by laws and regulations.</p>
<p>(Addition of New Provision)</p>	<p>(Supplementary Provision) <u>The amendment to Article 3 (Address of Head Office) shall come into effect on May 9, 2016, provided, however, that this Supplementary Provision shall be deleted after the effective date of the relocation of the head office.</u></p>

Proposal 3: Issuance of Stock Acquisition Rights as Stock Options

The Company requests your approval for stock acquisition rights to be issued to the Directors (including Outside Directors), the Audit & Supervisory Board Members, and the employees and Outside Supporters of the Company and its subsidiaries on especially favorable terms, under the provisions of Articles 236, 238 and 239 of the Companies Act.

1. Reasons for Soliciting Candidates to Subscribe for Stock Acquisition Rights on Especially Favorable Terms

The stock acquisition rights outlined below will be issued without consideration to the Directors (including Outside Directors) and the employees and Outside Supporters for the purpose of enhancing their motivations and morale towards the improvement of the Company's consolidated performance, and also to the Audit & Supervisory Board Members for the purpose of enhancing their awareness towards appropriate auditing.

2. Outline of Issuance of Stock Acquisition Rights

(1) Stock Acquisition Rights Holders

The stock acquisition rights shall be allotted to the Directors (including Outside Directors), the Audit & Supervisory Board Members, and the employees and Outside Supporters of the Company and its subsidiaries.

(2) Type and Number of Shares to Be Issued upon Exercise of Stock Acquisition Rights

The number of shares of the Company's common stock to be issued shall not exceed 80,000.

After the allotment, however, if the Company conducts a stock split (including the allotment of shares of the Company's common stock without consideration; for the description of the stock split, the same shall apply hereinafter) or a reverse stock split, the number of shares to be issued upon exercise of each stock acquisition right (hereinafter referred to as the "number of shares granted") shall be adjusted according to the following formula.

(Number of shares granted after adjustment) = $\frac{\text{(Number of shares granted before adjustment)}}{\text{(Ratio of stock split or reverse stock split)}}$

In addition to the foregoing, if it is appropriate to adjust the number of shares granted after the allotment date, the Company may adjust the number of shares granted to the extent reasonable. Any fractions falling short of one (1) share caused by the above adjustment shall be rounded down.

(3) Total Number of Stock Acquisition Rights to Be Offered

The total number shall be up to 800.

(The number of shares to be issued upon exercise of each stock acquisition right shall be 100. However, if the adjustment of the number of shares granted set forth in (2) above is made, the same adjustment shall be made.)

(4) Amount to Be Paid for Stock Acquisition Rights to Be Offered

No consideration shall be paid.

(5) Value of Assets Required for Exercise of Stock Acquisition Rights

The value of assets required for exercise of each stock acquisition right shall be the amount calculated by multiplying the amount to be paid per share received upon exercise of the stock acquisition right (hereinafter referred to as the "exercise value") by the number of shares granted. The exercise value shall be the amount (with any fractions less than one yen rounded up) calculated by multiplying by 1.05 the average closing price of the Company's common stock on all trading days (except days on which no trading is reported), which information is revealed by Tokyo Stock Exchange, Inc., in the month preceding the month in which the stock acquisition rights are allotted.

In case the exercise value set forth above is below the closing price of the Company's common stock on the day preceding the allotment date of the stock acquisition rights (or the closing price of the immediately preceding day if any transaction is not made on the date), the exercise value shall be this closing price.

After the allotment date, however, if the Company conducts a stock split or a reverse stock split with respect to the Company's common stock, the exercise value will be adjusted according to the following formula, with any fractions less than one yen resulting therefrom rounded up.

(Exercise value after adjustment) = $\frac{\text{(Exercise value before adjustment)} \times 1}{\text{(Ratio of stock split or reverse stock split)}}$

If the Company issues new shares or sells treasury shares of the Company's common stock at below market values (except in the case of issuance of new shares or sale of treasury shares through the exercise of stock options), the exercise value will be adjusted according to the following formula, with any fractions less than one yen resulting therefrom rounded up.

$$\begin{aligned}
 & \text{(Exercise value after adjustment)} = \frac{\text{(Exercise value before adjustment)} \times \frac{\text{(Number of outstanding shares)}}{\text{(Number of outstanding shares)} + \text{(Number of newly issued shares)}} + \frac{\text{(Number of newly issued shares)} \times \text{(Amount to be paid per newly issued share)}}{\text{(Share price before new issuance)}}}{\text{(Number of outstanding shares)} + \text{(Number of newly issued shares)}}
 \end{aligned}$$

The number of outstanding shares in the above formula means the total number of the Company's outstanding shares of common stock minus the treasury shares of common stock held by the Company. In the case of the sale of treasury shares, the "number of newly issued shares," "share price before new issuance" and "amount to be paid per newly issued share" shall be substituted by the "number of treasury shares sold," "share price before the sale of treasury shares" and "selling price per share" respectively.

In addition to the foregoing, in the case of a merger, a corporate split, or the like after the allotment date, the Company, if appropriate, may adjust the exercise value to the extent reasonable.

(6) Exercise Period of Stock Acquisition Rights

From March 23, 2021 to March 22, 2026

(7) Terms and Conditions concerning Exercise of Stock Acquisition Rights

(a) If persons to whom the stock acquisition rights are allotted (hereinafter referred to as the "stock acquisition rights holders") are Directors or Audit & Supervisory Board Members of the Company and its subsidiaries, they must maintain their positions at the time of exercise of their rights. If the stock acquisition rights holders are employees or Outside Supporters of the Company and its subsidiaries, they must maintain their positions at the time of exercise of their rights.

Provided, however, that the stock acquisition rights holders fulfill certain requirements set forth in a stock acquisition rights allotment contract entered into by and between the Company and each stock acquisition rights holder (hereinafter referred to as the "allotment contract"), the stock acquisition rights holders may continue to exercise their rights even after they lose their positions as Directors, Audit & Supervisory Board Members, or employees or Outside Supporters of the Company and its subsidiaries.

(b) The succession of the stock acquisition rights by inheritance shall not be permitted.

(c) Any pledge or other disposition of the stock acquisition rights shall not be permitted.

(d) Any other conditions for exercise of the rights shall be stipulated in the allotment contract to be entered into by and between the Company and each stock acquisition right holder in accordance with resolutions for issuance of the stock acquisition rights by this Annual General Meeting of Shareholders and those by a future meeting of the Board of Directors.

(8) Reasons and Conditions for Acquiring Stock Acquisition Rights

(a) When stock acquisition rights holders lose all qualifications for exercising their stock acquisition rights, and forfeit their stock acquisition rights pursuant to (7) above, the Company may acquire their stock acquisition rights without consideration.

(b) If a merger agreement under which the Company becomes a merged company is approved, or a proposal for approval of a share exchange agreement or a share transfer by which the Company becomes a wholly-owned subsidiary of another company is approved at a general meeting of shareholders of the Company, the Company may acquire the stock acquisition rights without consideration.

(9) The Increase Amount of Capital Stock and Legal Capital Surplus in the Event of New Share Issuance upon Exercise of Stock Acquisition Rights

(a) In the event of new share issuance by exercising stock acquisition rights, the increase amount of capital stock shall be half the upper limit amount of an increase in capital stock calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, with any fractions less than one yen resulting therefrom rounded up.

(b) In the event of new share issuance by exercising stock acquisition rights, the increase amount of legal capital surplus shall be calculated by subtracting the amount of increase in the capital stock stated in (a) above from the upper limit amount of the increase in the capital stock stated in (a) above.

(10) Restrictions on Transfer of Stock Acquisition rights

Transfer of stock acquisition rights shall require approval by a resolution of the Company's Board of Directors.

(11) Other Matters Related to Stock Acquisition Rights

Other matters related to stock acquisition rights shall be determined at a meeting of the Company's Board of Directors to be held for the purpose of determining matters on the solicitation of stock acquisition rights.

Proposal 4: Decision on the Details and the Amounts of Compensations by Stock Options for Directors and Audit & Supervisory Board Members

The Company proposes to decide on details of stock acquisition rights to be granted as stock options to the Directors (including Outside Directors) and the Audit & Supervisory Board Members of the Company as shown below.

1. Reasons for Discussion

The stock acquisition rights (stock options) will be granted as compensations to the Directors (including Outside Directors) for the purpose of enhancing their motivations and morale towards the improvement of the Company's consolidated performance, and also to the Audit & Supervisory Board Members for the purpose of enhancing their awareness towards appropriate auditing.

2. The Amounts of Compensation Paid to Directors and Audit & Supervisory Board Members

Taking into account an existing situation where stock options are granted, and other various circumstances, apart from the compensation amounts (up to 200 million yen per annum) paid to the Company's Directors (including Outside Directors), which was approved as a resolution at the 12th Annual General Meeting of Shareholders held on March 27, 2000, and the compensation amounts (up to 50 million yen per annum) to the Company's Audit & Supervisory Board Members, which was approved as a resolution 12th Annual General Meeting of Shareholders held on March 27, 2000, the Company proposes that the maximum compensation amounts related to the stock acquisition rights to be issued as stock options to the Company's Directors (including Outside Directors) and Audit & Supervisory Board Members shall be 30 million yen per annum and 10 million yen per annum, respectively.

The Company currently has 7 Directors (including 3 Outside Directors) and 3 Audit & Supervisory Board Members.

3. Details of Stock Acquisition Rights

(1) Type and Number of Shares to Be Issued upon Exercise of Stock Acquisition Rights

The maximum numbers of shares of the Company's common stock to be issued to the Directors and the Audit & Supervisory Board Members shall be 15,000 and 5,000, respectively.

After the allotment, however, if the Company conducts a stock split (including the allotment of shares of the Company's common stock without consideration; for the description of the stock split, the same shall apply hereinafter) or a reverse stock split, the number of shares to be issued upon exercise of each stock acquisition right (hereinafter referred to as the "number of shares granted") shall be adjusted according to the following formula.

$$\text{(Number of shares granted after adjustment)} = \frac{\text{(Number of shares granted before adjustment)}}{\text{before adjustment}} \times \text{(Ratio of stock split or reverse stock split)}$$

In addition to the foregoing, if it is appropriate to adjust the number of shares granted after the allotment date, the Company may adjust the number of shares granted to the extent reasonable. Any fractions falling short of one (1) share caused by the above adjustment shall be rounded down.

(2) Total Number of Stock Acquisition Rights to Be Offered

The total number of stock acquisition rights to offered to the Directors shall be up to 150, and to the Audit & Supervisory Board Members up to 50.

(The number of shares to be issued upon exercise of each stock acquisition right shall be 100. However, if the adjustment of the number of shares granted set forth in (1) above is made, the same adjustment shall be made.)

(3) Amount to Be Paid for Stock Acquisition Rights to Be Offered

No consideration shall be paid.

(4) Value of Assets Required for Exercise of Stock Acquisition Rights

The value of assets required for exercise of each stock acquisition right shall be the amount calculated by multiplying the amount to be paid per share received upon exercise of the stock acquisition right (hereinafter referred to as the "exercise value") by the number of shares granted. The exercise value shall be the amount (with any fractions less than one yen rounded up) calculated by multiplying by 1.05 the average closing price of the Company's common stock on all trading days (except days on which no trading is reported), which information is revealed by Tokyo Stock Exchange, Inc., in the month preceding the month in which the stock acquisition rights are allotted.

In case the exercise value set forth above is below the closing price of the Company's common stock on the day preceding the allotment date of the stock acquisition rights (or the closing price of the immediately preceding day if any transaction is not made on the date), the exercise value shall be this closing price.

After the allotment date, however, if the Company conducts a stock split or a reverse stock split with respect to the Company's common stock, the exercise value will be adjusted according to the following formula, with any fractions less than one yen resulting therefrom rounded up.

$$\text{(Exercise value after adjustment)} = \text{(Exercise value before adjustment)} \times \frac{1}{\text{(Ratio of stock split or reverse stock split)}}$$

If the Company issues new shares or sells treasury shares of the Company's common stock at below market values (except in the case of issuance of new shares or sale of treasury shares through the exercise of stock options), the exercise value will be adjusted according to the following formula, with any fractions less than one yen resulting therefrom rounded up.

$$\text{(Exercise value after adjustment)} = \text{(Exercise value before adjustment)} \times \frac{\text{(Number of outstanding shares)} + \frac{\text{(Number of newly issued shares)} \times \text{(Amount to be paid per newly issued share)}}{\text{(Share price before new issuance)}}}{\text{(Number of outstanding shares)} + \text{(Number of newly issued shares)}}$$

The number of outstanding shares in the above formula means the total number of the Company's outstanding shares of common stock minus the treasury shares of common stock held by the Company. In the case of the sale of treasury shares, the "number of newly issued shares," "share price before new issuance" and "amount to be paid per newly issued share" shall be substituted by the "number of treasury shares sold," "share price before the sale of treasury shares" and "selling price per share" respectively.

In addition to the foregoing, in the case of a merger, a corporate split, or the like after the allotment date, the Company, if appropriate, may adjust the exercise value to the extent reasonable.

(5) Exercise Period of Stock Acquisition Rights

From March 23, 2021 to March 22, 2026

(6) Terms and Conditions concerning Exercise of Stock Acquisition Rights

(a) Persons to whom the stock acquisition rights are allotted (hereinafter referred to as the "stock acquisition rights holders") must maintain their positions as Directors or Audit & Supervisory Board Members of the Company at the time of exercise of their stock acquisition rights.

Provided, however, that the stock acquisition rights holders fulfill certain requirements set forth in a stock acquisition rights allotment contract entered into by and between the Company and each stock acquisition rights holder (hereinafter referred to as the "allotment contract"), the stock acquisition rights holders may continue to exercise their rights even after they lose their positions as Directors or Audit & Supervisory Board Members.

(b) The succession of the stock acquisition rights by inheritance shall not be permitted.

(c) Any pledge or other disposition of the stock acquisition rights shall not be permitted.

(d) Any other conditions for exercise of the rights shall be stipulated in the allotment contract to be entered into by and between the Company and each stock acquisition right holder in accordance with resolutions for issuance of the stock acquisition rights by this Annual General Meeting of Shareholders and those by a future meeting of the Board of Directors.

(7) Reasons and Conditions for Acquiring Stock Acquisition Rights

(a) When stock acquisition rights holders lose all qualifications for exercising their stock acquisition rights, and forfeit their stock acquisition rights pursuant to (6) above, the Company may acquire their stock acquisition rights without consideration.

(b) If a merger agreement under which the Company becomes a merged company is approved, or a proposal for approval of a share exchange agreement or a share transfer by which the Company becomes a wholly-owned subsidiary of another company is approved at a general meeting of shareholders of the Company, the Company may acquire the stock acquisition rights without consideration.

(8) The Increase Amount of Capital Stock and Legal Capital Surplus in the Event of New Share Issuance upon Exercise of Stock Acquisition Rights

(a) In the event of new share issuance by exercising stock acquisition rights, the increase amount of capital stock shall be half the upper limit amount of an increase in capital stock calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, with any fractions less than one yen resulting therefrom rounded up.

(b) In the event of new share issuance by exercising stock acquisition rights, the increase amount of legal capital surplus shall be calculated by subtracting the amount of an increase in the capital stock stated in (a) above from the upper limit amount of the increase in the capital stock stated in (a) above.

(9) Restrictions on Transfer of Stock Acquisition rights

Transfer of stock acquisition rights shall require approval by a resolution of the Company's Board of

Directors.

(10) Other Matters Related to Stock Acquisition Rights

Other matters related to the stock acquisition rights shall be determined at a meeting of the Company's Board of Directors to be held for the purpose of determining matters on the solicitation of stock acquisition rights.