

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

October 16, 2020

2-9 Kanda-Surugadai, Chiyoda-ku, Tokyo, Japan
Nichii Gakkan Co., Ltd.
Representative Director and President
Nobusuke Mori

Distribution of Proceeds From Disposal of Fractional Shares Arising From Share Consolidation

Dear Shareholders:

At the Extraordinary Shareholders Meeting held today, the proposal related to the share consolidation was approved to consolidate shares at a ratio of 16,303,849 shares to one with an effective date of November 9, 2020. As a result of this share consolidation, with the exception of some shareholders, the shares held by the shareholders who are listed or recorded in the final shareholder registry on November 8, 2020, the day before the effective date, will become fractional shares of less than one share.

Regarding the fractional shares of less than one share held by shareholders, the Company plans to dispose of the shares together and distribute the proceeds from the disposal to shareholders in late January 2021 in proportion to their number of fractional shares.

For shareholders who have designated an account for receiving dividends (excluding shareholders who have selected the allocation by the number of shares method), the Company will deposit the proceeds from the disposal directly into that account.

For other shareholders (including shareholders who have selected the allocation by the number of shares method and shareholders with accounts in which the proceeds cannot be deposited directly), please be aware that payment will be made through Japan Post Bank using a warrant or transfer payment certificate.

The Company plans to post details about the methods of payment to shareholders and other information on the Company's website (<https://www.nichiigakkan.co.jp/en/>).

Payment procedures

- Shareholders who have not completed a change of address notification or other necessary procedures should contact the account management institution (securities company, etc.) that opened the account as soon as possible.
- For procedures regarding shares recorded in a special account, contact the following special account management institution.

[Special account management institution] Stock Transfer Agency of Mitsubishi UFJ Trust and Banking Corporation
Phone: 0120-232-711 (toll free (Japan only))
Business hours: from 9:00 a.m. to 5:00 p.m., excluding Saturdays, Sundays and national holidays