



(Translated from the Japanese original)

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Notice Regarding Issuance of Subscription Rights as Stock Options (Aderans Co., Ltd. Fifth Series Subscription Rights as Stock Options)

May 23, 2013, Tokyo—Aderans Co., Ltd. (hereafter “the Company”) announces that the Board of Directors resolved at a meeting held today to issue subscription rights as stock options (hereafter, “Subscription Rights”) for the Company’s directors (including employees with director responsibilities and outside directors, the same shall apply hereafter) and employees, pursuant to articles 236, 238 and 240 of Japan’s Corporate Law. Details are presented below.

I. Reason for Issuing Subscription Rights

As consideration for the execution of duties, the issuance of Subscription Rights to the Company’s directors and employees shall primarily serve to boost morale within the Company and motivate directors and employees to maintain their commitment and enthusiasm to raise corporate value.

II. Main Points Regarding Issuance of Subscription Rights

(1) Name of Subscription Rights

Aderans Co., Ltd. Fifth Series Subscription Rights as Stock Options

(2) Number of Subscription Rights

The number of Subscription Rights to be issued under the conditions described in (4) below shall be 3,295 units. Note that the total number of shares issued upon exercise of Subscription Rights shall be 329,500 shares of the Company’s common stock, and if the number of shares granted has been adjusted, as provided in (4) i. below, the number of shares shall be the number obtained by multiplying the aforementioned number of Subscription Rights by the adjusted number of shares granted.



(3) Amount of money to be paid in exchange for Subscription Rights

No payment of money shall be required in exchange for Subscription Rights. Note that Subscription Rights shall be granted as consideration for the execution of duties.

(4) Information about Subscription Rights

i. Type and number of shares to be issued upon exercise of Subscription Rights

The type of shares to be issued upon exercise of Subscription Rights shall be common stock of the Company, and the number of such shares granted per unit (hereafter, “Number of Shares Granted”) shall be 100.

However, after the date on which the allotment takes place (hereafter, “Allotment Date”), if the Company executes a stock split (including gratis allotment of common stock of the Company; the same applies hereafter) or executes a stock consolidation, the Number of Shares Granted shall be adjusted in accordance with the following formula.

Adjusted number of shares granted

$$= \text{Pre-adjusted number of shares granted} \times \text{Percentage of stock split / consolidation}$$

If for any other reason than the aforementioned reasons, it becomes necessary to adjust the Number of Shares Granted after the Resolution Date, the Company may do so to a reasonable extent.

Fractions of less than one (1) share resulting from the adjustment above shall be truncated.

ii. Value of assets invested and method for calculating this amount upon exercise of Subscription Rights

The value of assets invested upon exercise of Subscription Rights shall be the value calculated by multiplying the paid-in amount per share to be transferred upon exercise of Subscription Rights (hereafter, “Exercise Price”) by the Number of Shares Granted.

The Exercise Price shall be either the average closing price for the Company’s common stock on the Tokyo Stock Exchange on each business day (excluding any day on which no trade is executed) during the month (hereafter, “Closing Price”) immediately preceding the month in which the Allotment Date occurs, with fractions of less than one (1) yen rounded up to the nearest whole yen, or the Closing Price on the Allotment Date (if there is no Closing Price on that date, the Closing Price on the immediately preceding trading day shall be applied), whichever is higher.

In any event, the Exercise Price shall be adjusted as follows.

a) If the Company executes a stock split or stock consolidation of common stock of the Company after the Allotment Date, the Exercise Price shall be adjusted in accordance with the following formula, with fractions of less than one (1) yen upon adjustment being rounded up to a whole yen.

$$\begin{array}{l} \text{Exercise} \\ \text{Price after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Exercise} \\ \text{Price before} \\ \text{adjustment} \end{array} \times \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

b) If the Company issues new common stock or disposes of treasury stock at a price below market value after the Allotment Date, excluding sale of treasury stock at a request for sale of odd lot shares by the odd lot shareholders in accordance with the provisions of Article 194 of the Corporate Law, conversion of securities which are to be converted or may be converted into common stock of the Company, or the exercise of Subscription Rights (including those attached to bonds) that allow a request for issuance of common stock of the Company, Exercise Price shall be adjusted in accordance with the following formula, with fractions of less than one (1) yen upon adjustment being rounded up to a whole yen.

$$\begin{array}{l} \text{Exercise} \\ \text{Price after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Exercise} \\ \text{Price before} \\ \text{adjustment} \end{array} \times \frac{\begin{array}{l} \text{Number of} \\ \text{currently} \\ \text{issued} \\ \text{shares} + \end{array} \frac{\begin{array}{l} \text{Number of new shares issued} \\ \times \\ \text{Paid-in amount per share} \end{array}}{\text{Market price}}}{\begin{array}{l} \text{Number of currently issued shares} \\ + \text{Number of new shares} \end{array}}$$

“Number of currently issued shares” in the formula above shall be the figure obtained by subtracting the number of treasury shares of common stock held by the Company from total common stock of the Company issued. If the Company disposes of treasury shares, “Number of new shares” shall be replaced by “Number of treasury shares for disposal.”

In addition, market price shall be either the average Closing Price for the Company’s common stock on the Tokyo Stock Exchange on each business day (excluding any day on which no trade is executed) during the month immediately preceding the month in which the Payment Date of issuance of new common stock or for disposal of treasury stock is included, with fractions of less than one (1) yen rounded up to the nearest whole yen, or the Closing Price on the Allotment Date (if



there is no Closing Price on that date, the Closing Price on the immediately preceding trading day shall be applied), whichever is higher.

c) In addition to the above, after the Allotment Date, if the Company issues other types of shares free-of-charge to ordinary shareholders, or pays dividends in the form of shares of other companies to common stock shareholders, and if adjustment in the Exercise Price is deemed appropriate, the Company shall adjust the Exercise Price to the extent reasonable, in consideration of the situation, including such factors as the allotments and dividends.

iii. Exercise period for Subscription Rights

From July 5, 2015 to May 23, 2023

iv. Matters concerning the increase in paid-in capital and capital surplus upon exercise of Subscription Rights

a) The amount of paid-in capital increase in the event new shares are issued upon exercise of Subscription Rights shall be half of the maximum amount of capital increase calculated in accordance with Article 17, Paragraph 1 of Regulations for Corporate Accounting, and any fractions less than a whole yen upon calculation shall be rounded up.

b) An increase in capital surplus in the event shares are issued upon exercise of Subscription Rights shall be the amount obtained by subtracting the amount of paid-in capital increase from the maximum amount of capital increase, as set forth in a) above.

v. Restriction on acquisition of Subscription Rights by transfer

Acquisition of Subscription Rights by transfer shall be subject to an approval by the Board of Directors of the Company.

vi. Provisions applicable to acquisition of Subscription Rights

Should any of the following agenda items, (a) (b) (c) (d) or (e) be approved at a meeting of shareholders (or by the Board of Directors of the Company if a resolution by shareholders at a shareholders' meeting is not required), the Company may acquire Subscription Rights free-of-cost on a date determined separately by the Board of Directors of the Company.

a) Approval of a merger contract that would see the Company cease to exist.

b) Approval of a corporate split contract or plan that would see the Company divided up.



- c) Approval of a share-exchange contract or share-transfer plan that would see the Company become a wholly owned subsidiary of another company.
- d) Approval of amendments to pertinent provisions in the Company's Articles of Incorporation requiring approval of the Company for acquisition of shares by transfer for all shares issued by the Company.
- e) Approval of amendments to pertinent provisions in the Company's Articles of Incorporation requiring the Company's approval to acquire certain special-class shares by transfer for special-class shares upon exercise of Subscription Rights, or the Company's approval to acquire all said shares by resolution at a meeting of shareholders .

vii. Determination policy regarding the offering of Subscription Rights of a restructured company upon corporate restructuring

In the event of a merger (after which the Company would cease to exist), an absorption-type split in which a division is spun off and merged into an existing company or a consolidation-type split in which a division is spun off to establish a new company (for both, occurring only when the Company is split up), or an exchange or transfer of shares (for both, occurring only when the Company becomes a wholly owned subsidiary) (hereafter, collectively referred to as "Restructuring Actions"), anyone who holds remaining Subscription Rights immediately before the effective date of Restructuring Actions (an effective date being the date on which an absorption-type merger occurs, the date of incorporation for a new company established through a consolidation-type merger, the date on which an absorption-type split occurs, the date of incorporation for a company newly established through a consolidation-type split, the date on which an exchange of shares occurs, or the date of incorporation for a parent company set up through the transfer of shares) (hereafter, "Remaining Subscription Rights"), holders of Subscription Rights in each of the aforementioned cases shall be offered Subscription Rights of the stock company in accordance with Article 236, Paragraph 1, Item 8 (i) to (v) of the Corporate Law (hereafter, "Reorganized Company"). However, new Subscription Rights of the Reorganized Company shall be offered only if provisions for granting them are included in the absorption-type merger contract, consolidation-type merger contract, absorption-type split contract, consolidation-type split plan, share exchange contract or share transfer plan in accordance with each of the following.



a) Number of Subscription Rights to be offered in the Reorganized Company

Each holder of Remaining Subscription Rights shall be granted an identical number of Stock Acquisition Rights in the Reorganized Company.

b) Type of shares in the Reorganized Company to be issued for Subscription Rights

The type of shares subject to Subscription Rights shall be common stock of the Reorganized Company.

c) Number of shares in the Reorganized Company to be obtained upon exercise of Subscription Rights

The number of shares shall be determined in accordance with i. above, in consideration of the terms and conditions inherent in Restructuring Actions.

d) Value of assets invested upon exercise of Subscription Rights

The value of assets to be invested upon exercise of Subscription Rights shall be the amount obtained by multiplying the paid-in amount after reorganization upon adjustment of the Exercise Price set forth in ii. above in view of the terms and conditions of Restructuring Actions by the number of shares of the Reorganized Company to be obtained upon exercise of Subscription Rights set forth in accordance with c) above.

e) Exercise period for Subscription Rights

The exercise period shall begin on either the first day of the exercise period for Subscription Rights set forth in iii. above, or on the day that Restructuring Actions take effect, whichever comes later, and shall continue to the last day of the exercise period for Subscription Rights as set forth in iii. above.

f) Matters concerning the increase in paid-in capital and capital surplus upon exercise of Subscription Rights

Such increases shall be determined in line with iv. above.

g) Restriction on acquisition of Subscription Rights by transfer

Acquisition of Subscription Rights by transfer shall be subject to approval by the Board of Directors at the Reorganized Company.

h) Provisions applicable to acquisition of Subscription Rights

Provisions applicable to the acquisition of Subscription Rights shall be determined in line with vi. above.

i) Other terms and conditions applicable to the exercise of Subscription Rights

Other terms and conditions applicable to the exercise of Subscription Rights shall be subject to the provisions set forth in ix. below.



viii. Arrangement for fractions less than one share arising through exercise of Subscription Rights

If the number of shares to be issued to holders of Subscription Rights who have exercised such rights includes any fraction less than one share, that fraction shall be truncated.

ix. Other terms and conditions applicable to the exercise of Subscription Rights

- a) Holders of Subscription Rights must be in office or serving the Company as directors, corporate auditors or employees (including advisors and parties to management agreements) of the Company or its subsidiaries or affiliates at the time the rights are exercised. However, no restriction will be applied if a holder of Subscription Rights retires from his/her position at the end of the appointed term or reaches mandatory retirement age, or if the Board of Directors recognizes some other justifiable reason that precludes application of this requirement.
- b) Exercise of Subscription Rights by the heirs of holders of Subscription Rights will not be allowed. However, this stipulation will not apply if the Board of Directors recognizes that special circumstances are warranted.
- c) When, through the exercise of Subscription Rights, the total number of outstanding shares in the Company would exceed the number of authorized shares at that point in time, exercise Subscription Rights will not be allowed.
- d) Partial exercise of Subscription Rights will not be allowed.
- e) Exercise of Subscription Rights will not be allowed if the associated allotment agreement has been broken.

x. Other terms and conditions applicable to the exercise of Subscription Rights

The Company shall not issue certificates of subscription rights to holders of Subscription Rights.

xi. Application Date

By July 4, 2013

xii. Allotment Date of Subscription Rights

July 5, 2013



(5) Number of people to be granted Subscription Rights and number of Subscription Rights allotted

Directors of the Company: 6 people, 1,035 subscription rights

Employees of the Company: 61 people, 2,260 subscription rights

(6) Other

Any other matters will be set out in agreements for allotment of subscription rights to shares made between the Company and holders of Subscription Rights.

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