

August 12, 2014

Shinichi Ueno
President & Group CEO
ASATSU-DK INC.
Securities Code: 9747

Notice Regarding the Issuance of Stock Compensation-type Stock Options (Stock Acquisition Rights) to Directors

ASATSU-DK INC. (the “Company”) hereby announces that it was resolved at the Board of Directors meeting held today that stock acquisition rights as stock compensation-type stock options shall be issued to four (4) executive directors of the Company for the purpose of further enhancing the directors’ motivation and morale to contribute to the improvement of business performance and the stock price and making the directors share in the benefits and risks arising from the rise and fall in the stock price, together with the shareholders, in accordance with Article 236, 238 and 240 of the Corporation Law as follows.

1. Name of stock acquisition rights:

ASATSU-DK INC. Stock Acquisition Rights (4th series)

2. Total number of stock acquisition rights:

264

3. Class and number of shares to be allotted upon exercise of stock acquisition rights:

The class of shares to be allotted upon the exercise of stock acquisition rights shall be common stocks. The number of shares to be allotted upon the exercise of each stock acquisition right (the “Number of Shares Granted”) shall be one hundred (100).

In the event of the Company carrying out a share split (including a *gratis* allotment of common stock of the Company; the same shall apply hereinafter to any of the following references to a share split) or share consolidation, the Number of Shares Granted shall be adjusted in accordance with the following formula, with the resulting fractions of less than one (1) share upon such adjustment being rounded down.

$$\begin{array}{ccccc} \text{Number of Shares} & & \text{Number of Shares} & & \\ \text{Granted after} & = & \text{Granted before} & \times & \text{Ratio of share split or} \\ \text{adjustment} & & \text{adjustment} & & \text{share consolidation} \end{array}$$

In the event of a share split, the Number of Shares Granted after adjustment shall apply from the day after the record date (or from the effective date if no record date has been specified) of the said share split. Whereas, in the event of a share consolidation, the Number of Shares Granted after adjustment shall apply from the day the share consolidation becomes effective. Furthermore, in the event that the Company carries out a merger, company split, share exchange, share transfer or the like that makes it necessary to adjust the Number of Shares Granted, the Board of Directors of the Company may make any necessary adjustments to the Number of Shares Granted.

4. Amount of assets to be contributed upon exercise of stock acquisition rights:
The amount of assets to be contributed upon the exercise of stock acquisition rights shall be the exercise price of one (1) yen per share granted upon the exercise of stock acquisition right, multiplied by the Number of Shares Granted.
5. Exercise period of stock acquisition rights:
From August 30, 2017 to August 29, 2024
6. Conditions for exercise of stock acquisition rights:
 - (1) A stock acquisition right holder must be a director of the Company when he/she exercises those rights unless he/she retires by reason of expiration of his/her term of office or any other justifiable cause.
 - (2) The number of share acquisition rights that may be exercised shall fluctuate in steps, within a range of from 0% to 100% of the total number of stock acquisition rights allocated according to the Total Shareholder Return results (i.e., the sum of the difference between the average stock price on the Tokyo Stock Exchange in the three months (excluding non-trading dates) immediately preceding the month in which the allotment date occurs and the average stock price on the Tokyo Stock Exchange in the three months (excluding non-trading dates) immediately preceding the month in which the first date of the exercise period occurs and the dividends per share for the period from the allotment date to the first date of the exercise period, divided by the average stock price on the Tokyo Stock Exchange in the three months (excluding non-trading dates) immediately preceding the month in which the allotment date occurs) from the allotment date to the first date of the exercise period.
7. Matters concerning any increase in capital stock and capital reserve by the issuance of shares

upon exercise of stock acquisition rights:

- (1) The amount of any increase in capital stock by the issuing of shares upon the exercise of stock acquisition rights shall be half of the upper limit of capital increase as calculated pursuant to the provisions of Article 17, Paragraph 1 of the Ordinance for Corporate Accounting, and the resulting fractions of less than one (1) yen occurring upon such calculation shall be rounded up to the nearest yen.
- (2) The amount of any increase in capital reserve by the issuing of shares upon the exercise of stock acquisition rights shall be the upper limit of capital increase as described in (1) above less the amount of increase in capital stock set out therein.

8. Restriction on acquisition of stock acquisition rights by transfer:

Any acquisition of the stock acquisition rights by transfer shall be subject to the approval of the Board of Directors of the Company.

9. Reasons and conditions for acquisition of stock acquisition rights:

In the event of a resolution for the approval of any of the proposals below being adopted at the General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors of the Company, if a resolution at a General Meeting of Shareholders is not required), the Company may acquire the stock acquisition rights as at the date specifically determined by the Board of Directors of the Company without contribution.

- (1) Proposal for approval of a merger agreement under which the Company shall be merged
- (2) Proposal for approval of a company split agreement or company split plan under which the Company shall be a split company
- (3) Proposal for approval of a share exchange agreement or share transfer plan under which the Company shall be a wholly-owned subsidiary
- (4) Proposal for approval of amendment to the Articles of Incorporation that stipulate the requirement of approval of the Company on acquisition of any of the shares issued by the Company by transfer
- (5) Proposal for approval of amendment to the Articles of Incorporation that stipulate the requirement of approval of the Company on acquisition of class of shares to be issued upon the exercise of stock acquisition rights by transfer or that the Company acquires all of the shares of said class by a resolution at a General Meeting of Shareholders

10. Matters concerning the details of allocation of stock acquisition rights undergoing Organizational Restructuring:

In the event of the Company merging (limited to cases wherein the Company becomes a dissolving company), performing an absorption-type company split or an incorporation-type company split, or conducting a share exchange or a share transfer (hereinafter collectively referred to as "Organizational Restructuring"), stock acquisition rights of a corporation

described in Article 236, Paragraph 1, Items 8.1 through 8.5 of the Corporation Law (hereinafter “Restructured Company”) shall be allocated to each stock acquisition right holder remaining unexercised (hereinafter “Remaining Stock Acquisition Rights”) immediately before the date when Organizational Restructuring takes effect (this refers to the date on which an absorption-type merger takes effect, the date on which the company is incorporated through an incorporation-type merger, the date on which an absorption-type company split takes effect, the date on which the company is incorporated through an incorporation-type company split, the date when share exchange takes effect, or the date on which the wholly-owning parent company is incorporated by share transfer). In any such case, the Remaining Stock Acquisition Rights shall be extinguished and the Restructured Company shall allocate new stock acquisition rights. However, the foregoing shall apply only to cases in which the allocation of stock acquisition rights of the Restructured Company according to the following conditions is stipulated in the absorption-type merger agreement, the incorporation-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) Number of stock acquisition rights of the Restructured Company to be allocated:

The Restructured Company shall allocate stock acquisition rights, the number of which shall equal the number of stock acquisition rights held by the holder of the Remaining Stock Acquisition Rights.

- (2) Class of shares of the Restructured Company to be issued upon exercise of stock acquisition rights:

Common stock of the Restructured Company

- (3) Number of shares of the Restructured Company to be issued upon exercise of stock acquisition rights:

To be determined in accordance with 3. above after taking into consideration the conditions etc. of the Organizational Restructuring.

- (4) Amount of the assets to be contributed upon exercise of stock acquisition rights:

The amount of assets to be contributed upon the exercise of each stock acquisition right shall be the amount obtained by multiplying the amount to be paid upon the exercise of each stock acquisition right after restructuring as stipulated below, and the number of shares of the Restructured Company to be issued upon the exercise of each stock acquisition right. The amount to be paid upon the exercise of each stock acquisition right after restructuring shall be one (1) yen per share of the Restructured Company that can be allotted due to the exercise of each stock acquisition right that is to be allocated.

- (5) Exercise period of stock acquisition rights:

Starting from the later of either the commencement date of the exercise period of stock acquisition rights as stipulated in 5. above or the date on which the Organizational Restructuring becomes effective, and ending on the expiration date for the exercise of stock acquisition rights as stipulated in 5. above.

- (6) Matters concerning increase in capital stock and capital reserve to be increased by issuance of shares upon exercise of stock acquisition rights:
To be determined in accordance with 7. above.
- (7) Restriction on acquisition of stock acquisition rights by transfer:
Any acquisition of the stock acquisition rights by transfer shall be subject to the approval of the Restructured Company.
- (8) Reasons and conditions for acquisition of stock acquisition rights:
To be determined in accordance with 9. above.
- (9) Other terms and conditions of exercising stock acquisition rights:
To be determined in accordance with 6. above.
11. Rules pertaining to fractions of less than one (1) share arising from exercise of stock acquisition rights:
Fractions of less than one (1) share in the number of shares to be allotted to stock acquisition right holders who exercised the stock acquisition rights shall be rounded down.
12. Method for calculating the amount to be paid upon allocation of stock acquisition rights:
The amount to be paid upon allocation of each stock acquisition right shall be calculated by performing a Monte Carlo simulation, which is a general calculation model for the option value. The Company shall pay monetary compensation equivalent to the above amount payable for stock acquisition rights to stock acquisition right holders, such amount to be offset by the claim for such compensation, with respect to the Company, in exchange for payment of the amount payable by the stock acquisition right holders.
13. Date of payment of consideration in exchange for stock acquisition rights and allotment date of stock acquisition rights:
August 29, 2014
14. Persons to be allocated stock acquisition rights, number of persons, and number of stock acquisition rights to be allocated:
four (4) directors of the Company shall be allocated two hundred and sixty-four (264) stock acquisition rights.

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