



August 29, 2013

## Concerning the Issuance of Stock Options (Stock Acquisition Rights)

System Corporation today announced that it passed a resolution at a Board of Directors' meeting held on August 29, 2013 to determine the procedure for the offering and issuance of stock acquisition rights to its directors, executive officers and employees.

Details are provided as follows in accordance with the rules stipulated in Article 236, 238 and 240 of the Corporation Law.

Additionally, the amount payable upon exercise of the stock acquisition rights and other matters to be determined as necessary will be resolved by the scheduled issue date of the respective stock acquisition rights on September 13, 2013.

### I. Reason for Offering Stock Acquisition Rights as Stock Options

The purpose of this system is to improve the Company's performance by raising motivation and morale.

### II. Items Pertaining to the Offering of Stock Acquisition Rights

#### 1. Name of stock acquisition rights to be offered

Third Round System Corporation Stock Acquisition Rights

#### 2. Parties eligible for allotment (hereinafter "Rights Holders") and number of allotted stock acquisition rights

Directors, Executive Officers and employees

Number of allotted stock acquisition rights is 318.

#### 3. Total number of allotted stock acquisition rights

7,300 units

#### 4. Calculation method of the amount to be paid for stock acquisition rights

The amount to be paid for stock acquisition rights shall be fairly calculated in accordance with the Black-Scholes Model on the allotment date for relevant stock acquisition rights with the proviso that the amount payable by each Rights Holder shall be offset by the Rights Holder's compensation receivable from the Company (an amount equivalent to the aforementioned amount payable), which will be granted on the condition of the Right Holder's subscription to the purchase of stock acquisition rights on the allotment date of stock acquisition rights.

#### 5. Allotment date of stock acquisition rights to be offered

September 13, 2013

## 6. Details of stock acquisition rights

### (1) Type and number of shares to be issued upon the exercise of stock acquisition rights

The type of shares to be issued upon exercise of stock acquisition rights shall be shares of common stock of the Company, and the number of shares to be issued upon the exercise of stock acquisition rights shall be 730,000 (The number of shares to be granted per stock acquisition rights is 100).

In the event of the Company's division or consolidation of shares, the number of allotted shares shall be adjusted in accordance with the formula below provided that such adjustment shall also be made to stock acquisition rights remaining unexercised as of the allotment date and that any fractional shares less than one (1) share arising out of such adjustment shall be omitted.

$$\text{Number of corresponding shares after adjustment} = \text{Number of corresponding shares before adjustment} \times \text{Stock split or reverse stock split ratio}$$

In the event the Company is involved in a merger, corporate spin-off, share exchange or share transfer (hereinafter collectively "Merger and Other Events"); implements the gratis allotment of stock acquisition rights; or engages in any other activity that entails an adjustment in the number of shares offered, the Company shall adjust the relevant number of shares in a rational manner, giving due consideration to conditions pertaining to gratis allotment, such as Merger and Other Events.

### (2) Amount to be contributed upon the exercise of stock acquisition rights to be offered ("Exercising Amount")

The amount to be paid in upon exercise of each stock acquisition rights shall be the amount of the acquisition price per share (hereinafter referred to as "Exercise Price") multiplied by the number of shares to be issued or transferred upon exercise of each stock acquisition rights.

The Exercise Price shall be the average of the closing prices of the shares of the Common Stock of the Company in the regular trading thereof on the Tokyo Stock Exchange on each day (excluding any day on which there is no trading of the shares of the Company) during the month immediately preceding the month in which the stock acquisition rights are issued, multiplied by 1.05, and any fractions shall be rounded up to the nearest one (1) yen; provided, however, that in the event that such amount is less than the closing price of the shares of Common Stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the day of issuance of the stock acquisition rights, the Exercise Price shall be that closing price.

Provided that if the Company implements a stock split or consolidation after issuance of the stock acquisition rights, the Exercise Price shall be adjusted in accordance with the formula

below and rounded up to the nearest one (1) yen.

$$\text{Exercise Price after adjustment} = \frac{\text{Exercise Price before adjustment} \times 1}{\text{Split or consolidation ratio}}$$

If the Company acquires or is consolidated with another company, or acquires a 100% stake in another company through an exchange of shares, or if certain other events take place which require adjustment of the Exercise Price, the Company may adjust the Exercise Price to the extent it deems necessary.

(3) Exercise period of stock acquisition rights to be offered

From September 13, 2015 to September 12, 2021

(4) Matters concerning capital or capital reserves to be increased when shares are issued upon the exercise of stock acquisition rights to be offered

The amount of capital to be increased when shares are issued upon the exercise of stock acquisition rights shall be half the limit of capital increase as calculated in accordance with Article 17, Paragraph 1, of the Corporate Accounting Rules, and any fraction of less than one (1) yen resulting from that calculation shall be rounded up to the nearest whole yen. The amount of capital reserve to be increased when shares are issued upon the exercise of stock acquisition rights shall be the amount of the limit of capital increase described in before, less the amount of capital to be increased as set out in before.

(5) Conditions for exercise of stock acquisition rights

- (a) The person who is allocated stock acquisition rights (hereinafter referred to as "Rights Holder") must be a director, an auditor or an employee of the Company or its subsidiary at the time of exercise of the stock acquisition rights. If the Rights Holder retires from the position of director or auditor of the Company or its subsidiary due to expiration of the term of office, or leaves the Company or its subsidiary due to mandatory retirement, the Rights Holder still may exercise the stock acquisition rights within two (2) years of the effective date of such expiration of the term of office or mandatory retirement.
- (b) The heir(s) of the Rights Holder may not exercise the rights.
- (c) Other particulars concerning the conditions for the exercise of stock acquisition rights shall be determined pursuant to an agreement between the Company and the Rights Holder, based on resolutions of the Board of Directors of the Company and/or the Stockholders' General Meeting.

(6) Conditions for acquiring stock acquisition rights

- (a) Should it be resolved that the Company will engage in a merger, absorb another company's division, establish a new division or company in a way that would entail the dissolution or division of its own operations, enter into a share exchange or implement a share transfer

wherein it becomes a wholly owned subsidiary through the Company's general meeting of shareholders, the Company may itself acquire all stock acquisition rights outstanding as of the date prescribed by the Company's Board of Directors' meeting.

- (b) Should it be resolved that allocates of stock acquisition rights become unable to fulfill the conditions for exercise of stock acquisition rights, the Company may itself acquire all stock acquisition rights outstanding.

(7) Restriction on the transfer of stock acquisition rights

The acquisition of stock acquisition rights by transfer shall require approval of the Company's Board of Directors.

(8) Policy concerning the details of invalidating of stock acquisition rights and the delivery of stock acquisition rights of a Restructured Company undergoing Organizational Restructuring

Upon merger (limited to cases wherein the Company becomes a dissolving company), the absorption of another company's division, the establishment of a new company or division, entry into a share exchange or the implementation of a transfer of shares of the Company to another entry (hereinafter collectively referred to as "Organizational Restructuring"), the Company shall deliver stock acquisition rights as per a corporation described in Article 236, Paragraph 1, Items 8.1 through 8.5 of the Corporation Law of Japan (hereinafter "Restructured Company") and in accordance with the following terms and conditions pertaining to the Rights Holders of stock acquisition rights remaining unexercised immediately before the Organizational Restructuring takes effect (hereinafter "Remaining Stock Acquisition Rights").

In such a case, the Remaining Stock Acquisition Rights shall cease to be effective and the Restructured Company shall newly issue stock acquisition rights. However, the foregoing shall apply only to cases in which the delivery of stock acquisition rights of the Restructured Company is in accordance with the following terms and conditions as provided for in the relevant agreements or plans pertaining to the merger, new company establishment, the absorption of another company's division, the establishment of a new company or division, entry into as share exchange or the implementation of a transfer of shares.

(a) Number of stock acquisition rights of the Restructured Company to be delivered

The Company shall deliver stock acquisition rights, the number of which shall equal the number of stock acquisition rights held by the Rights Holder of the Remaining stock acquisition rights.

(b) Type of shares of the Restructured Company to be issued upon The exercise of stock acquisition rights

Shares of common stock of the Restructured Company

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

To be decided upon application, mutatis mutandis, of item (1) above, taking into consideration the terms and conditions of the Organizational Restructuring, and so on.

(d) Amount to be contributed upon the exercise of stock acquisition rights

The amount to be contributed upon the exercise of each stock acquisition rights shall be one (1) yen per share of the Restructured Company to be delivered upon the exercise of each stock acquisition rights, multiplied by the number of shares of the Restructured Company issued upon the exercise of the relevant stock acquisition rights as determined in accordance with(c) above.

(e) Exercise period of stock acquisition rights

From the later of the commencement dates of the exercise period of stock acquisition rights as set out in item (3) above, or the day on which the Organizational Restructuring becomes effective through the expiration date of the exercise period of stock acquisition rights as set out in item (3) above.

(f) Matters concerning capital or capital reserve to be increased when shares are issued upon the exercise of stock acquisition rights

To be decided by a resolution upon application, mutatis mutandis, of item (4) above.

(g) Restriction on transfer of stock acquisition rights

To acquire stock acquisition rights by transfer shall require the approval of the Board of Directors of the Restructured Company.

(h) Conditions for acquiring stock acquisition rights

To be decided by a resolution upon application, mutatis mutandis, of item (6) above.

(i) Other conditions for exercise of stock acquisition rights

To be decided by a resolution upon application, mutatis mutandis, of item (5) above.

(9) Arrangement of handling of fractional shares resulting from exercise of stock acquisition rights

In the event the shares to be delivered to the Rights Holder include fractional shares, such number of fractional shares shall be disregarded.