



July 12, 2017

For Immediate Release

Company name: Ahresty Corporation

President & CEO: Arata Takahashi

(Security code: 5852, First Section of the Tokyo Stock Exchange)

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Notice of Issue of Stock Options as Stock-Based Compensation to Directors

Ahresty Corporation (the “Company”) hereby announces that the Company adopted a resolution at its Board of Directors Meeting held on July 12, 2017, on offering opportunities to subscribe for the subscription rights to shares and other matters upon determining the subscription requirements for subscription for the subscription rights to shares that are applicable to Directors (excluding outside directors) of the Company in accordance with paragraphs 1 and 2, Article 238 and paragraph 1, Article 240 of the Companies Act for the purpose of increasing corporate value through increasing will and morale to raise the stock prices among Directors. The details are as set forth below.

1. Name of subscription rights to shares for subscription

Ahresty Corporation Subscription Rights to Shares for FY2017

2. Aggregate number of subscription rights to shares for subscription

The maximum number of subscription rights to shares shall be determined based on the aggregate amount of up to 45 million yen per annum for Directors (excluding outside directors), excluding those who are Audit & Supervisory Committee members, and up to 8 million yen per annum for Directors (excluding outside directors) who are Audit & Supervisory Committee members, which shall be derived by multiplying the fair value per one subscription right to shares, calculated on the day of allotment based on the Black Scholes Model, by the number of subscription rights to shares allotted.

If the aggregate number of subscription rights to shares for subscription allotted decreases due to a lack of subscription for the subscription rights to shares for subscription and/or other reasons, the aggregate number shall be the aggregate number of subscription rights to shares for subscription issued.

3. Class and number of shares to be issued upon the exercise of the subscription rights to shares for subscription

The class of shares to be issued upon the exercise of the subscription rights to shares for subscription shall be the Company’s common stocks, and the number of shares to be issued per one subscription right to shares for subscription (hereinafter “Number of Shares to Be Granted”) shall be 100.

However, in the case of a stock split (including allotment of common stocks of the Company without consideration; hereinafter the same shall apply with respect to the description of a stock split) or consolidation of shares conducted by the Company after the date of allotment, the Number of Shares to Be Granted shall be adjusted in accordance with the following formula, and any fractions of a share as a result of the adjustment shall be dropped.

Number of Shares to Be Granted after adjustment = Number of Shares to Be Granted before adjustment x rate of split/consolidation

Moreover, if it becomes unavoidable to adjust the Number of Shares to Be Granted after the date of allotment for reasons other than those stated above, it shall be adjusted to a reasonable extent.

4. Amount of assets to be contributed upon the exercise of the subscription rights to shares for subscription

The amount of assets to be contributed upon the exercise of the subscription rights to shares for subscription shall be the amount calculated by multiplying the amount to be paid, which shall be 1 yen per share, which will be issued upon exercise of the subscription rights to shares for subscription, by the Number of Shares to Be Granted.

5. Period during which subscription rights to shares for subscription may be exercised

August 11, 2017 to August 10, 2047

6. Matters related to stated capital and capital reserve to be increased upon issue of shares through exercise of subscription rights to shares for subscription

(1) An amount of the stated capital to be increased upon issue of shares through exercise of the subscription rights to shares for subscription shall be one-half of the limit amount of increase in the stated capital, etc. that shall be calculated in accordance with paragraph 1, Article 17 of the Ordinance on Company Accounting, and any fractions of 1 yen that remain as a result of the calculation shall be rounded up.

(2) An amount of the capital reserve to be increased upon issue of shares through exercise of the subscription rights to shares for subscription shall be that found by subtracting the amount of the stated capital to be increased as described in (1) above from the limit amount of increase in the stated capital, etc. as described in (1) above.

7. Restrictions on acquisition of subscription rights to shares for subscription through transfer

The acquisition of the subscription rights to shares for subscription through transfer shall be subject to approval by resolution of the Company's Board of Directors.

8. Subscription rights to shares for subscription subject to call

No subscription rights to shares subject to call shall be available.

9. Policy for determination of requirements for elimination of subscription rights to shares for subscription and issue of subscription rights to shares upon reorganization

In the case of a merger (limited to merger under which the Company is an extinct company), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter collectively "Reorganization"), the Company shall issue the subscription rights to shares of stock companies as set forth in (a)-(e), item 8, paragraph 1, Article 236 of the Companies Act (hereinafter "Reorganized Companies"), as appropriate, to the holders of the subscription rights to

shares that remain as of the effective date of reorganization (hereinafter “Remaining Subscription Rights to Shares”) under the terms and conditions set forth below. In this case, the Remaining Subscription Rights to Shares shall be eliminated and the Reorganized Companies shall issue new subscription rights to shares, subject to the establishment of the provisions that the subscription rights to shares of the Reorganized Companies shall be issued in accordance with the following terms and conditions under an absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split agreement, share exchange agreement or share transfer agreement.

(1) Number of subscription rights to shares of Reorganized Companies to be issued

The same number as that of the subscription rights to shares held by the holders of the Remaining Subscription Rights to Shares shall be issued.

(2) Class of shares of Reorganized Companies to be issued upon the exercise of the subscription rights to shares

This shall be common stock of the Reorganized Companies.

(3) Number of shares of Reorganized Companies to be issued upon the exercise of the subscription rights to shares

This shall be determined in accordance with the provisions of paragraph 3 above with any necessary changes, considering the terms and conditions for the Reorganization.

(4) Amount of assets to be contributed upon exercise of subscription rights to shares

The amount of assets to be contributed upon the exercise of the subscription rights to shares for subscription issued shall be the amount calculated by multiplying the amount to be paid in after the reorganization as set forth below by the number of shares of Reorganized Companies to be issued upon exercise of the subscription rights to shares that shall be determined in accordance with (3) above. The amount to be paid in after the reorganization shall be 1 yen per share of the Reorganized Companies that will be issued upon exercise of the subscription rights to shares issued.

(5) Period during which subscription rights to shares may be exercised

This shall begin from either the first day of the period during which the subscription rights to shares for subscription as set forth in paragraph 5 above may be exercised or the effective date of the Reorganization, whichever comes later, and end on the expiration date of the period during which the subscription rights to shares for subscription as set forth in paragraph 5 above may be exercised.

(6) Matters related to stated capital and capital reserve to be increased upon issue of shares through exercise of subscription rights to shares

These shall be determined in accordance with the provisions of paragraph 6 above with any necessary changes.

(7) Restrictions on acquisition of subscription rights to shares through transfer

The acquisition of the subscription rights to shares through transfer shall be subject to approval by resolution of the Board of Directors of the Reorganized Companies.

(8) Subscription rights to shares for subscription subject to call

These shall be determined in accordance with the provisions of paragraph 8 above with any necessary changes.

(9) Other conditions for exercising subscription rights to shares

These shall be determined in accordance with the provisions of paragraph 11 below with any necessary changes.

10. Arrangement for fractions less than one share arising upon exercise of subscription rights to shares for subscription

Any fractions of one share among the shares issued to the holders of the subscription rights to shares that exercised the subscription rights to shares for subscription shall be dropped.

11. Other conditions for exercising subscription rights to shares for subscription

(1) The holders of the subscription rights to shares may exercise the subscription rights to shares exclusively for 10 days from the day following the loss of the position as the Company's Director (the day shall hereinafter be "Start Date for Exercise of Rights") during the period described in paragraph 5 above.

(2) Notwithstanding the provisions of (1) above, in the case of (i) or (ii) below (in the case of (ii) below, issue of the subscription rights to shares of the Reorganized Companies to the holders of the subscription rights to shares in accordance with paragraph 9 above shall be excluded), the holders of the subscription rights to shares may exercise the subscription rights to shares exclusively for the period as set forth in (i) or (ii) below.

(i) If the Start Date for Exercise for Rights does not come before August 10, 2046 for the holders of the subscription rights to shares: August 11, 2046 to August 10, 2047

(ii) If an agendum on approval of a merger agreement under which the Company is an extinct company or an agendum on approval of a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary is approved by the general meeting of shareholders of the Company (if resolution of the general meeting of shareholders is not required, the Company's Board of Directors resolves such agendum): 15 days from the day after the approval is granted

(3) The holders of the subscription rights to shares shall exercise all of them at one time.

(4) If the holders of the subscription rights to shares waive them for subscription, they may not exercise them.

(5) Any other conditions shall be governed by the provisions of the Agreement for Allotment of Subscription Rights to Shares executed between the Company and the holders of the subscription rights to shares in accordance with a resolution of the Board of Directors.

12. Amount to be paid in for subscription rights to shares for subscription

Monetary payment in exchange for the subscription rights to shares for subscription shall not be required.

13. Date of allotment of subscription rights to shares for subscription

August 10, 2017

14. Place for acceptance of request to exercise subscription rights to shares for subscription
Management Planning Dept., the Company (or any department periodically in charge of the relevant duties)
15. Place for receiving payment upon exercise of subscription rights to shares for subscription
Tokyo Corporate Banking Division, Mizuho Bank, Ltd. (or the successor of Mizuho Bank, Ltd. or periodically the successor of the said division/branch)
16. Any other necessary matters regarding the subscription rights to shares for subscription shall be left to the CEO.

Reference

1. Date of resolution by Ordinary Shareholders' Meeting: June 18, 2015
 2. Date of resolution by Board of Directors for issue of subscription rights to shares: July 12, 2017
- In addition, the resolution by the Board of Directors this time passed within the scope of authority granted to Directors with respect to the subscription rights to shares under the approval by resolution of the Ordinary Shareholder's Meeting described above 1.