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For Immediate Release

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### **Notice of Granting Stock Options (Stock Acquisition Rights)**

PARK 24 Co., Ltd. (hereinafter the “Company”) announces that its Board of Directors, at a meeting held on November 30, 2018, resolved to issue stock acquisition rights to employees of the Company and the Company’s subsidiaries as stock options in accordance with the provisions of Paragraphs 1 and 2, Article 238 and Paragraph 1, Article 240 of the Company Law. Details are as follows:

1. Reason for the issuing of stock options

The Company shall issue stock options free of charge to employees of the Company and the Company’s subsidiaries to increase its corporate and shareholder value with improved results by giving greater motivation to the employees and boosting their morale.

2. Main points for the issuing of stock options

(1) Parties eligible for the issuing of stock options, their number, and the number of allotted stock options

A total of 2,890 stock options shall be allotted to 191 employees of the Company and its subsidiaries.

(2) Type and number of shares subject to stock options

The type of shares subject to the stock options shall be common shares of the Company. The number of shares subject to each stock option (hereinafter the “number of subject shares”) shall be 100 shares. (The initial ceiling for shares subject to all stock options shall be 289,000 shares.)

However, the number of subject shares shall be adjusted with the use of the following formula when the Company performs a share split or a reserve share split after the allotment date for the stock options. This adjustment shall be performed on the number of shares subject to the stock options for which the rights remain unexercised at the time of adjustment. Fractions of less than one yen that result from such adjustment shall be omitted.

Number of subject shares after adjustment = number of shares before adjustment x ratio of share split/  
reverse share split

The Company may adjust the number of subject shares within the scope deemed necessary and rational when the Company issues shares or disposes of treasury stock at prices below their market value (except when preemptive rights or stock options are exercised), when the Company allots shares free of charge, where the Company performs a merger, when the Company conducts a corporate spin-off, when the Company becomes the 100% owner of another company through a share swap with that company, and when the adjustment of the number of subject shares is required for other reasons, after the allotment date for the stock options. Fractions of less than one yen that result from the adjustment shall be omitted.

(3) Total number of stock options

2,890

(4) Amount paid for stock options

No payment of money shall be required in exchange for the issuing of stock options. The absence of the requirement for the payment of money shall not correspond to advantageous placement.

(5) Value of assets contributed for the exercise of stock options

Money shall be the aim of contribution made for the exercise of the stock options. The value of assets contributed for such exercise per stock option shall be the amount obtained by multiplying the value of each share issued through the exercise of the stock options set forth below (hereinafter the “exercise price”) by the number of subject shares.

The exercise price shall be the amount obtained by multiplying the higher of the average closing price for the Company’s common shares traded on a regular basis on the Tokyo Stock Exchange on days of the month prior to the month, in which the allotment date for the stock options falls (excluding days on which no regular transaction takes place), or the closing price for such shares traded on a regular basis on the same Exchange on the allotment date for the stock options by 1.03 (closing price for such shares traded regularly on the closest prior date in cases when no regular transaction takes place on the allotment date). Fractions of less than one yen that result from such calculation shall be rounded up to the nearest one yen.

However, the exercise price shall be adjusted with the use of the following formula when the Company performs a share split or a reverse share split after the allocation date for the stock options. In these cases, fractions of less than one yen that result from the adjustment shall be rounded up to the nearest one yen.

$$\begin{aligned} & \text{Exercise price after adjustment} \\ & = \text{exercise price before adjustment} \times \frac{1}{\text{Ratio of share split/ reverse share split}} \end{aligned}$$

The exercise price shall be adjusted with the use of the following formula when the Company issues shares or disposes of treasury shares at prices below their market value after the allotment date for the stock options

(excluding cases where preemptive rights or stock options are exercised). Fractions of less than one yen that result from the adjustment shall be rounded up to the nearest one yen.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of outstanding shares} + \frac{\text{Number of issued shares} \times \text{Amount paid per share}}{\text{Market value before share issuance}}}{\text{Number of outstanding shares} + \text{Number of issued shares}}$$

The “number of outstanding shares” appearing in the above formula shall be the number of shares calculated by deducting the number of treasury shares held by the Company from the number of the Company’s outstanding shares. The “number of issued shares” and the “market value before share issuance” shall be replaced with the “number of shares for disposal” and the “market value before disposal,” respectively, when the Company disposes of treasury shares.

The Company may adjust the exercise price within the scope deemed necessary and rational when the Company allots shares free of charge, when the Company performs a merger, when the Company conducts a corporate spin-off, when the Company becomes the 100% owner of another company through a share swap with that company, and when adjustment of the exercise price is required for other reasons, after the allotment date for the stock options. Fractions of less than one yen that result from such adjustment shall be rounded up to the nearest one yen.

(6) Exercise period for stock options

The period in which the stock options may be exercised (hereinafter the “exercise period”) shall be from December 1, 2021 to January 31, 2026. However, the preceding business day shall be deemed the last day of the exercise period when the last day of the exercise period falls on a business holiday established by the Company.

(7) Amounts of increase in capital stock and capital legal reserve due to share issuance as a result of the exercise of stock options

① The amount of increase in capital stock due to the issuing of shares as a result of the exercise of the stock options shall be the amount corresponding to 50% of the maximum amount of increase in capital stock and the like calculated in accordance with Paragraph 1, Article 17 of the Corporate Calculation Regulation. Fractions of less than one yen shall be rounded up to the nearest one yen when such fractions arise as a result of calculation stated above.

② The amount of increase in capital legal reserve due to share issuance as a result of the exercise of the stock options shall be the amount calculated by deducting the amount of increase in capital stock prescribed in the foregoing paragraph (1) from the maximum amount of increase in capital stock and the like stated in the same foregoing paragraph.

(8) Conditions for the exercise of stock options

- ① Parties receiving the stock options (hereinafter “holders of the stock options”) must occupy the position of director, executive officer, corporate auditor, employee, advisor or senior advisor at the Company or any of its subsidiaries (hereinafter the “eligibility for the exercise of rights”) at points where they exercise the stock options. However, holders of the stock options may exercise the stock options, which are exercisable on the date of loss, until the day one year after the loss of the eligibility for the exercise of rights when they lose such eligibility by retiring from their position due to term expiration or age limit on or after the first day of the exercise period. (The period for such exercise, however, shall be limited to the exercise period.)
  - ② Heirs to holders of the stock options shall not be permitted to exercise the stock options if the holders die. However, heirs to holders of the stock options may exercise stock options that are exercisable on the date when the holders die, up to one year after death, when the holders were qualified to exercise the rights on the first day of the exercise period and at the time of their death, and when such holders die on or after the first day of the exercise period. (The period for such exercise, however, shall be limited to the exercise period.) (However, opportunities for exercising the stock options shall be limited to only once for a group that consists of all heirs who inherited such rights from their holders.)
  - ③ Holders of the stock options may not exercise the stock options after the emergence of any of the conditions that the Board of Directors of the Company sets as unsuitable for such exercise in light of the objective of granting the stock options, including serious acts in violation of the Articles of Incorporation or internal regulations of the Company (including, but, not limited to, guilty verdicts for acts subject to penal punishment, obligations to compensate the Company for damages under the provisions of Article 423 of the Company Law, and disciplinary dismissals) and the assumption of office as a director, executive officer, corporate auditor, employee, temporary employee, advisor or consultant of any company that has a competitive relationship with the Company.
  - ④ Holders of the stock options may exercise the stock options granted to them, in whole or in part, with a single procedure. However, the holders may not partially exercise any single stock option.
  - ⑤ Each holder of the stock options may exercise the stock options once in a period of one year (the period from January 1 to December 31).
- (9) Restrictions on the assignment of stock options
- Acquisition of the stock options by means of assignment must be approved by resolution of the Board of Directors of the Company.

(10) Items relating to the acquisition of stock options

- ① The Company may acquire the stock options free of charge on a date separately established by its the Board of Directors when a merger agreement, under which the Company ceases to exist, a divestiture agreement for business succession, under which the Company becomes a divesting entity, a divestiture plan for corporate establishment, in which the Company becomes a divesting entity, a share exchange agreement, under which the Company becomes a wholly owned subsidiary, or a share transfer plan, in which the Company becomes a wholly owned subsidiary, is approved at the General Meeting of Shareholders of the Company (when the Board of Directors of the Company resolves to adopt the agreement or plan in cases when the approval of the General Meeting of Shareholder is not required).
- ② The Company may acquire the stock options free of charge on a date separately established by its the Board of Directors when complete acquisition of class shares which are entirely subject to call options is approved at the General Meeting of Shareholders of the Company in accordance with Paragraph 1, Article 171 of the Company Law.
- ③ The Company may acquire the stock options free of charge on a date separately established by its the Board of Directors when holders of the stock options become unable to exercise their rights, in whole or in part, under the provisions of the foregoing section (8).

(11) Handling of stock options at points when acts of organizational restructuring are performed

The Company shall issue stock options for joint stock companies stated in items (a) through (e), Subparagraph viii, Paragraph 1, Article 236 of the Company Law (hereinafter “companies subject to restructuring”) to holders of the stock options outstanding at points when acts of organizational restructuring take effect (hereinafter “outstanding stock options”) based on the following conditions when the Company performs a merger (limited to cases when it ceases to exist as a result of the merger), a divestiture for business succession, a divestiture for corporate establishment, a share exchange or a share transfer (collectively referred to as “acts of organizational restructuring” hereinafter). In these cases, outstanding stock options shall be deemed to have lost effect. However, this rule shall be valid only when the issuing of stock options for companies subject to restructuring in accordance with the following conditions is prescribed in merger agreements for business succession, merger agreements for corporate establishment, divestiture agreements for business succession, divestiture plans for corporate establishment, share exchange agreements or share transfer plans.

- ① Number of stock options issued for companies subject to restructuring  
Stock acquisition rights for respective companies subject to restructuring shall be issued in the same number as the number of outstanding stock options held by holders of these stock options.
- ② Type of shares in companies subject to restructuring subject to stock options  
The type of shares in companies subject to restructuring subject to stock options shall be common shares of companies subject to restructuring.

- ③ Number of shares in companies subject to restructuring subject to stock options  
The number of shares in companies subject to restructuring subject to stock options shall be determined in consideration of factors including conditions for acts of organizational restructuring, in accordance with the rules prescribed in section (2) above.
- ④ Value of assets contributed for the exercise of stock options  
The value of assets contributed for the exercise of stock options shall be determined in consideration of factors, including conditions for acts of organizational restructuring, in accordance with the rules prescribed in section (5) above.
- ⑤ Period in which stock acquisition can be exercised  
The period during which stock options can be exercised shall be the period from the later of the first day of the period in which stock options can be exercised, which is set forth in section (6) above, or the day on which acts of organizational restructuring take effect, and the expiration date for the exercise of stock options shall be as set forth in section (6) above.
- ⑥ Conditions for the exercise of stock options  
Conditions for the exercise of stock options shall be determined in accordance with the rules set out in section (8) above.
- ⑦ Items relating to increases in capital stock and capital legal reserve due to the issuing of shares as a result of the exercise of stock options  
Items relating to increases in capital stock and capital legal reserve due to the issuing of shares as a result of the exercise of stock options shall be determined in accordance with the rules prescribed in section (7) above.
- ⑧ Restrictions on the acquisition of stock options by means of assignment  
Acquisition of stock options by means of assignment must be approved by companies subject to restructuring.
- ⑨ Call options on stock options  
Call options on stock options shall be determined in accordance with the rules set out in section (10) above.
- (12) Allotment date for stock options  
Allotment date for stock options shall be December 25, 2018.
- (13) Stock acquisition rights certificate  
No stock options certificate shall be issued for these stock options.
- (14) Odd lots less than one share shall be omitted when such lots arise in the number of shares issued to holders of these stock options who exercised these stock options.

(Notes)

1. "Employees" as used in this disclosure material include transferees from the Company to its subsidiaries and affiliates.
2. The "amount paid for stock options" stated in section (4) above is compensation for the execution of duties. The payment of said amount offers no advantageous condition to any of its recipients.