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For Immediate Release

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**Notice of Issuance of Stock-price Commitment Type Stock Acquisition Rights for Subscription  
2019**

Park24 Co., Ltd. (hereinafter, the “Company”) hereby announces that a meeting of the Board of Directors held on February 28, 2019 resolved to issue Park24 Co., Ltd.’s stock-price commitment type Stock Acquisition Rights for subscription 2019 (hereinafter, the “Stock Acquisition Rights”) to Directors and Corporate Officers of the Company and Directors of the Company’s Group companies (in this notice, Group companies mean subsidiaries) as described below in accordance with the provisions of Articles 236, 238 and 240 of the Companies Act.

Because these Stock Acquisition Rights are issued to persons who subscribe to the Stock Acquisition Rights for value at fair prices under conditions that are not particularly favorable, they will be issued without obtaining approval at the meeting of shareholders.

Subscription to the Stock Acquisition Rights are based on each person’s individual investment judgement rather than granted as remuneration to the relevant persons.

**I . Objectives and reasons for the solicitation of the Stock Acquisition Rights**

The Stock Acquisition Rights will be issued for subscription by Directors and Corporate Officers of the Company and Directors of the Company’s Group companies to boost their morale and encourage them to make further contributions to increasing the Company’s corporate value from the medium- and long-term perspectives.

The total number of Stock Acquisition Rights issued for subscription is 2,940 units. If the issue is

fully subscribed and exercised, it will cause a dilution of 0.19% for the Company's current 154,762,869 shares outstanding. However, as described in "(6) Conditions for the exercise of the Stock Acquisition Rights 2" of "3. Details of the Stock Acquisition Rights" in "II. Issuance guidelines on the Stock Acquisition Rights," it is necessary to exercise the Stock Acquisition Rights if the final price of transaction of the Company's common share at the financial instruments exchange is more than 5,000 yen, and also as described in the following "(6) Conditions for the exercise of the Stock Acquisition Rights 3," it is necessary to exercise the Stock Acquisition Rights if the final price of transaction of the Company's common share at the financial instruments exchange is less than 1,000 yen. Therefore, the holders of the Stock Acquisition Rights have an incentive to achieve an increase in the Company's stock price, which is the original effect of allotment of the Stock Acquisition Rights. In addition, by making holders acquire actual stock when the stock price rises to a certain level, they also have an incentive to achieve further improvement of the corporate value and stock price. By making them assume a certain responsibility when the stock price falls, their awareness can be enhanced for sharing risks of a fluctuating stock price with existing shareholders and avoiding corporate activities and management measures that may cause a decline in the stock price. Accordingly, the issuance of the Stock Acquisition Rights contributes to an increase in the Company's medium- to long-term corporate value and is considered to lead to the improvement of the Company's shareholder value.

The reason for setting the stock price levels to trigger the obligation to exercise the Stock Acquisition Rights at 5,000 yen for the upside and 1,000 yen for the downside, respectively, is that these prices are considered to be appropriate as a result of the examination of the Company's past stock price trend, volatility and other factors.

## II. Issuance guidelines on the Stock Acquisition Rights

### 1. Number of Stock Acquisition Rights

2,940 units

The total number of shares that can be granted through the exercise of the Stock Acquisition Rights shall be 294,000 common shares of the Company. If the number of shares granted in relation to the Stock Acquisition Rights is adjusted in accordance with Paragraph 3. (1), the total number shall be calculated by multiplying the number of the Stock Acquisition Rights by the number of shares granted after adjustment.

### 2. Payment of money in exchange for the Stock Acquisition Rights

Issue price of one unit of the Stock Acquisition Rights shall be 1,097 yen.

The Company requested the calculation of the price of the Stock Acquisition Rights by taking various conditions that are set forth in the issuance guidelines for the Stock Acquisition Rights to an independent calculation agent, Stewart McLaren (address: 15-6, Higashi-Azabu 1-chome, Minato-ku, Tokyo). In determining the calculation method to be used for the price, after comparing and examining calculation methods, including the Black-Scholes equation in which

prices are analytically identified based on boundary conditions and the lattice model that adopts the finite difference method, the calculation agent calculated the Stock Acquisition Rights using the numerical method based on the general Black-Scholes equation among other general calculation methods as the calculation method in which the exercise conditions (performance conditions) of the Stock Acquisition Rights set forth in the issuance guidelines were appropriately reflected in the calculation results.

The numerical method based on the general Black-Scholes equation is a method in which, under the assumption that the price of shares, the underlying assets of Stock Acquisition Rights, fluctuates through the probability process defined in the general Black-Scholes equation, by repeatedly generating standard regular random numbers that are included in the probability process, as well as by repeatedly generating different standard regular random numbers based on the probability distribution of the future business performance, the probability of achieving performance conditions and conditions for the exercise of the Stock Acquisition Rights is calculated. Several arbitrary trials of the future price path of the shares are obtained by referring to the results of the probability as described above, and the present value of the payoff that takes place in each path as a result of the exercise of the Stock Acquisition Rights is obtained. Based on the average value of the present value, a theoretical price is obtained.

The calculation agent used a numerical method based on the general Black-Scholes equation, a common model for calculating Stock Acquisition Rights, to calculate a price for the Stock Acquisition Rights based on the final price (2,648 yen per share) of the shares of the Company on the Tokyo Stock Exchange, Inc. (hereinafter, the “TSE”) as of the business day immediately preceding the date of the meeting of the Board of Directors at which matters related to the issuance of the Stock Acquisition Rights were resolved, and a share price volatility of 26.19% (annual rate), a dividend yield of 2.61% (annual rate), and a risk free rate of -0.13% (annual rate), as well as the terms and conditions set forth in the issuance guidelines of the Stock Acquisition Rights (exercise price of 2,648 yen per share, period to maturity of 8.09 years and exercise conditions).

In determining the issue price of the Stock Acquisition Rights, the calculation agent considered events that may impact the calculation as preconditions, and used the calculation method that is generally used for the price of Stock Acquisition Rights. Consequently, by referring to the calculation results of the calculation agent, the Company also carried out examinations. As a result, the Company has judged that the amount paid and the calculation value are the same and the amount is not applicable to a particularly beneficial amount. Because of these examinations, the issue price of the Stock Acquisition Rights has been determined.

### 3. Details of the Stock Acquisition Rights

#### (1) Type and number of shares subject to the Stock Acquisition Rights

The number of shares subject to one unit of the Stock Acquisition Rights (hereinafter, the “Number of Shares Granted”) shall be 100 common shares of the Company.

However, the Number of Shares Granted shall be adjusted using the following formula when the Company performs a share split (including the allotment of common shares of the

Company without contribution; the same shall apply hereinafter) or a reverse share split after the allotment date for the Stock Acquisition Rights. However, this adjustment shall be performed only on the number of shares subject to the Stock Acquisition Rights for which the rights remain unexercised at the time of adjustment. Fractions of less than one share that result from such adjustment shall be omitted.

Number of Shares Granted after adjustment = Number of Shares Granted before adjustment × Ratio of share split (or reverse share split).

Moreover, when the Company performs a merger, company split or capital stock reduction and when the adjustment of the Number of Shares Granted is required for other reasons after the allotment date for the Stock Acquisition Rights, the Company shall adjust the Number of Shares Granted appropriately.

(2) Value of assets contributed for the exercise of the Stock Acquisition Rights and the calculation method

The value of assets contributed for the exercise of the Stock Acquisition Rights shall be the amount calculated by multiplying the amount paid per share (hereinafter, the “Exercise Price”) by the Number of Shares Granted. The Exercise Price shall be 2,648 yen (the final price of transactions for the Company’s common share at the First Section of the TSE on the preceding day of the date of resolution of the issuance of the Stock Acquisition Rights (excluding a day on which no such transaction was made)).

When the Company performs a share split or a reverse share split after the allotment date for the Stock Acquisition Rights, the Exercise Price shall be adjusted using the following formula. In these cases, fractions of less than one yen that result from the adjustment shall be rounded up to the nearest one yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of share split (or reverse share split)}}$$

The Exercise Price shall be adjusted using the following formula when the Company issues shares or disposes of treasury shares pertaining to the Company’s common shares at prices below their market value after the allotment date for the Stock Acquisition Rights (excluding cases of the issuance of shares or the disposal of treasury shares as a result of the exercise of the Stock Acquisition Rights and the transfer of treasury shares as a result of the share swap). In these cases, fractions of less than one yen that result from the adjustment shall be rounded up to the nearest one yen.

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

The “Number of outstanding shares” appearing in the above formula shall be the number

of shares calculated by deducting the number of treasury shares related to the Company's common shares from the number of outstanding shares related to the Company's common shares. The "Number of issued shares" shall be replaced by the "Number of treasury shares for disposal" when the Company disposes of treasury shares related to the Company's common shares.

Moreover, in addition to the cases described above, the Company may adjust the Exercise Price appropriately within the scope deemed to be reasonable when the Company performs a merger with other companies, when the Company conducts a company split, and when the adjustment of the Exercise Price is required for other reasons, after the allotment date for the Stock Acquisition Rights.

(3) Exercise period for the Stock Acquisition Rights

The period during which the Stock Acquisition Rights may be exercised (hereinafter, the "Exercise Period") shall be from April 1, 2021 to March 31, 2027 (or the preceding business day if March 31, 2027 falls on a bank holiday). However, when (6) Conditions for the exercise of the Stock Acquisition Rights 2 or 3 of the guidelines are fulfilled after April 1, 2026, the Exercise Period shall be extended from the relevant day to the corresponding day one year later (or the preceding business day if the corresponding day falls on a bank holiday).

(4) Items related to increases in capital stock and capital legal reserve

- ① The amount of any increase in capital stock due to the issuance of shares as a result of the exercise of the Stock Acquisition Rights shall be the amount corresponding to 50% of the maximum amount of the increase in capital stock calculated in accordance with Paragraph 1, Article 17 of the Corporate Calculation Regulations. Fractions of less than one yen that arise as a result of the calculation stated above shall be rounded up to the nearest one yen.
- ② The amount of any increase in capital legal reserve due to share issuance as a result of the exercise of the Stock Acquisition Rights shall be the amount calculated by deducting the amount of any increase in capital stock prescribed in Paragraph 1 above from the maximum amount of the increase in capital stock stated in the same paragraph.

(5) Restrictions on the acquisition of the Stock Acquisition Rights by means of transfer

Acquisition of the Stock Acquisition Rights by means of transfer shall be approved by resolution in a meeting of the Board of Directors of the Company.

(6) Conditions for the exercise of the Stock Acquisition Rights

- ① In cases where a holder of the Stock Acquisition Rights has committed any serious act that violates laws and regulations (including, but not limited to, a guilty verdict for an act subject to criminal prosecution and the Company's right to claim compensation for damage to the holder of the Stock Acquisition Rights under the provisions of Article 423 of the Companies Act and other laws and regulations) or in cases where a holder of the Stock Acquisition Rights has fallen under any of the conditions that the Board of Directors of the Company stipulates as being unsuitable for such exercise, the holder of

the Stock Acquisition Rights may not exercise them at that time.

- ② In cases where the final price of a transaction of the Company's common share at the financial instruments exchange becomes more than 5,000 yen even once from start date to expiration date of the Exercise Period of the Stock Acquisition Rights, holders of the Stock Acquisition Rights shall exercise all their remaining rights one year from the relevant date. However, cases falling under Paragraph 1 above shall be excluded.
- ③ In cases where the final price of the transaction of the Company's common share at the financial instruments exchange becomes less than 1,000 yen even once from the start date to the expiration date of the Exercise Period of the Stock Acquisition Rights, holders of the Stock Acquisition Rights shall exercise all their remaining rights one year from the relevant date. However, cases falling under Paragraph 1 above shall be excluded.
- ④ In cases where a holder of the Stock Acquisition Rights has died, heirs to the holder of the Stock Acquisition Rights may not exercise the Stock Acquisition Rights. However, in cases where a holder of the Stock Acquisition Rights died after the arrival of the start date of the Exercise Period and did not fall under Paragraph 1 above both at the time of start date of the Exercise Period of the rights and at the time of death, heirs to the holder of the Stock Acquisition Rights shall be able to exercise the Stock Acquisition Rights that could have been exercised by the holder of the Stock Acquisition Rights on the date of death within one year from the death of the holder of the Stock Acquisition Rights (limited within the Exercise Period). (However, opportunities for exercising the Stock Acquisition Rights shall be limited to only once for a group that consists of all heirs who inherited such rights from the holder.)
- ⑤ In cases where exercising the Stock Acquisition Rights results in exceeding the number of authorized shares at the time of such exercise, the Stock Acquisition Rights shall not be permitted.
- ⑥ Less than one unit of the Stock Acquisition Rights may not be exercised.

#### 4. Allotment date of the Stock Acquisition Rights

March 25, 2019

#### 5. Items relating to the Stock Acquisition Rights

- (1) In cases where a merger agreement, under which the Company ceases to exist, a company split agreement or company split plan under which the Company becomes a split company, or a share exchange agreement or share transfer plan, under which the Company becomes a wholly-owned subsidiary is approved at the General Meeting of Shareholders of the Company (or resolved at a meeting of the Board of Directors of the Company if the approval of the General Meeting of Shareholder is not required), the Company may acquire all the Stock Acquisition Rights free of charge on a date separately established at a meeting of the Board of Directors of the Company.
- (2) In cases where the exercise of the Stock Acquisition Rights becomes impossible before the exercise of the rights by holders of the Stock Acquisition Rights due to provisions set forth in Paragraph 3. (6), the Company may acquire the Stock Acquisition Rights free of charge.

## 6. Handling of the Stock Acquisition Rights when organizational restructuring is performed

In cases where the Company performs a merger (limited to cases where it ceases to exist as a result of the merger), an absorption-type company split, an incorporation-type split, a share exchange or a share transfer (hereinafter, collectively the “acts of organizational restructuring”), the Company shall issue the Stock Acquisition Rights of joint stock companies stated in (a) through (e), Item 8, Paragraph 1, Article 236 of the Companies Act (hereinafter, the “companies subject to the restructuring”) to holders of the Stock Acquisition Rights on the effective date of the acts of organizational restructuring based on the following conditions. However, this shall apply only when the issuance of the Stock Acquisition Rights of the companies subject to the restructuring is stipulated in the absorption-type merger agreement, the consolidation-type merger agreement, the absorption-type company split agreement, the incorporation-type split plan, the share exchange agreement or the share transfer plan.

- (1) Number of the Stock Acquisition Rights granted of the companies subject to the restructuring

Stock Acquisition Rights shall be issued in the same number of the Stock Acquisition Rights held by the holders respectively.

- (2) Type of shares for the Stock Acquisition Rights in the companies subject to the restructuring  
Common shares in the companies subject to the restructuring

- (3) Number of shares for the Stock Acquisition Rights in the companies subject to the restructuring

To be determined in consideration of the conditions for the acts of organizational restructuring in accordance with Paragraph 3. (1).

- (4) Value of assets contributed for exercise of the Stock Acquisition Rights granted shall be calculated by multiplying the Exercise Price after the restructuring, which is gained by adjusting the Exercise Price set forth in Paragraph 3. (2), in consideration of conditions of the acts of organizational restructuring, by the number of shares in the companies subject to the restructuring for which the Stock Acquisition Rights are exercised, which is determined in accordance with Paragraph 6. (3).

- (5) Exercise period of the Stock Acquisition Rights

The period shall be from the start date of the Exercise Period set forth in Paragraph 3. (3) or the effective date of the organizational restructuring, whichever is later, to the last date of the Exercise Period set forth in Paragraph 3. (3).

- (6) Items relating to increases in capital stock and capital legal reserve due to the issuance of shares as a result of the exercise of the Stock Acquisition Rights

To be determined in accordance with the provisions set forth in Paragraph 3. (4).

- (7) Restrictions on the acquisition of the Stock Acquisition Rights by means of transfer

Restrictions on the acquisition by means of transfer shall be approved by resolution in a meeting of the Board of Directors of the companies subject to the restructuring.

- (8) Other conditions required for the exercise of the Stock Acquisition Rights

To be determined in accordance with the provisions set forth in Paragraph 3. (6).

(9) Causes and conditions to obtain the Stock Acquisition Rights

To be determined in accordance with the provisions set forth in the above five paragraphs.

(10) Other conditions shall be determined in accordance with the conditions of the companies subject to the restructuring.

7. Items relating to the stock acquisition right certificates for the Stock Acquisition Rights

The Company shall not issue stock acquisition right certificates for the Stock Acquisition Rights.

8. Application date

March 15, 2019

9. Payment date of money in exchange for the Stock Acquisition Rights

March 20, 2019

10. Persons to whom the Stock Acquisition Rights are allocated and the number of units to be allocated

Directors of the Company	3 persons	1,250 units
Corporate Officers of the Company	2 persons	200 units
Directors of the Company's Group companies	11 persons	1,490 units