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Notice of Issuing Subscription of Stock Option (Share Warrant) to employees of the Company and executives and employees of the subsidiaries

Tokyo, November 22, 2013—The Board of Directors at FinTech Global Incorporated (hereafter, “the Company”) resolved at its meeting on this date to delegate to the 19th Shareholders’ Meeting of the Company, to be held on December 20, 2013, deliberation of a request for approval for the finalization by the Board of Directors of the Company of subscription terms and conditions of the share warrant to be issued free of charge as a stock option to employees of the Company and executives and employees of the subsidiaries in accordance with Articles 236, 238 and 239 of the Company Law. Please kindly refer to the following details.

1. Reason for offering subscription of the stock option under highly preferential terms and conditions

The Company intends to offer subscription of the stock option (share warrant) to our employees and executives and employees of the subsidiaries for the purpose of ensuring and maintaining motivation and morale for better performance and heightening company value.

In principle, the stock option shall be offered annually for the benefit of a part of executives and employees who have been in service with the Company or the subsidiaries as of the end of September, 2012 and at time of the issuance.

2. Particulars and maximum numbers of the share warrant, the subscription terms and conditions of which shall be finalized subject to the delegation to the 19th Shareholders’ Meeting

(1) Maximum number of the share warrant, the subscription terms and conditions of which shall be finalized in accordance with the deliberation at the 19th Shareholders’ Meeting

Maximum number of the share warrant shall be 1,240 lots in accordance with the particulars set forth in (3) below.

The number of shares to be granted upon exercise of the share warrant shall be the 1,240 ordinary shares of the Company at the maximum and in the event of adjustment in the number of shares granted as defined in (3) ① below, the maximum number of shares shall be the total amount of the post-adjustment shares granted multiplied by the maximum number of the share warrant stated above.

- (2) The share warrant, the subscription terms and conditions of which shall be finalized subject to the delegation shall require no payment.
- (3) Particulars of the share warrant, the subscription terms and conditions of which shall be finalized subject to the delegation

① Type and number of shares to be granted upon exercise of the share warrant

The type of shares to be granted upon exercise of the share warrant shall be the ordinary shares of the Company and the number of shares of the same (hereinafter referred to as the “number of shares granted”) shall be one (1).

However in the event of share split-up (including free-of-charge offering of ordinary shares of the Company and the same shall be applicable to the share split-up as well) or share split-down of ordinary shares of the Company to be exercised on or after the offering date of the share warrant (hereinafter referred to as the “date of offering”), the number of shares granted shall be adjusted in accordance with the following formula.

Post-adjustment number of shares granted = Pre-adjustment number of shares granted × Percentage of share split-up / split-down

Besides the event above, if the adjustment in the number of shares granted is required on or after the date of offering, the Company shall have the right to do so within a reasonable extent.

Any odd lot falling short of constituting one (1) share upon adjustment above shall be rounded off.

② Value of the assets to be invested at the exercise of the share warrant

Value of the assets to be invested at the exercise of each share warrant shall be the price per share to be granted upon exercise of each share warrant (hereinafter referred to as the “exercise value”) multiplied by the number of shares granted.

The exercise value shall be calculated by multiplying 1.05 by the average value of the closing values of ordinary shares of the Company on the Tokyo Stock Exchange on each business date in the preceding month

to the month of offering (excluding a day on which no trade is executed) (hereinafter referred to as the “closing value”) to be rounded up to the nearest JPY one (1), or the closing value as of the business date immediately prior to the date of offering, whichever is higher (if there is no closing value available on the aforesaid business date, the closing value on the immediately preceding trade date shall be adopted). The exercise value shall be subject to the adjustment as follows.

- i. In the event of share split-up or share split-down of ordinary shares of the Company to be exercised on or after the date of offering, the exercise value shall be adjusted in accordance with the following formula and any odd number falling short of constituting JPY one (1) upon adjustment shall be rounded up.

$$\text{Post-adjustment exercise value} = \text{Pre-adjustment exercise value} \times \frac{1}{\text{Percentage of share split-up/split-down}}$$

- ii In the event of issuing new ordinary shares of the Company at a price which is lower than the market value or disposal of the Company shares on or after the date of offering (excluding the exercise of sale and transfer of the Company shares in accordance with Article 194 of the Company Law (claim for sale and transfer of odd lot shares by the odd lot shareholders), exercise of share warrant in accordance with Article 280 (19) of the old Commercial Code prior to the enactment of the “Law on Partial Amendment to Commercial and Other Codes” (Law No. 128, 2001), conversion of securities which are to be converted or convertible to the ordinary shares of the Company, or exercise of the share warrant entitled to offering of the ordinary shares of the Company, including those affixed to the convertible bonds), the exercise value shall be adjusted in accordance with the following formula and any odd number falling short of constituting JPY one (1) upon adjustment shall be rounded up.

$$\text{Post-adjustment exercise value} = \text{Pre-adjustment exercise value} \times \frac{\text{No. of shares issued} + \frac{\text{No. of new shares} \times \text{Payment per share}}{\text{Market value}}}{\text{No. of shares issued} + \text{No. of new shares}}$$

“No. of shares issued” referred to in the above formula shall be the sum of the total ordinary shares of the Company issued after subtracting the number of ordinary shares held by the Company. In the event of disposal of the Company shares, “no. of new shares” shall be replaced by “no. of Company shares disposed”.

- iii In addition to the formula above, in the event of free-of-charge offering of other types of shares to the ordinary shareholders or dividend of other company shares paid out to the ordinary shareholders on or after the date of offering, where adjustment in the exercise value is required, such offering or dividend shall be subject to adjustment by the Company within a reasonable extent in consideration for their terms and conditions.

③ Exercisable period of the share warrant

The above period shall be set forth by the Board of Directors of the Company between December 28, 2015,

and November 30, 2023.

④ Matters in relation to the increased capital and capital surplus at the issuance of new shares upon exercise of the share warrant

- i The amount of capital to be increased at the issuance of new shares upon exercise of the share warrant shall be $\frac{1}{2}$ of the maximum capital increase to be calculated in accordance with Article 17-1 of the Company Calculation Regulation and any odd number falling short of constituting JPY one (1) upon adjustment shall be rounded up.
- ii The amount of capital reserves to be increased at the issuance of new shares upon exercise of the share warrant shall be the sum of the maximum capital increase set forth in i above after subtracting the capital increase set forth in i above.

⑤ Restrictions on the acquisition of the share warrant by transfer

Acquisition of the share warrant by transfer shall be subject to approval of the Board of Directors of the Company.

⑥ Provisions applicable to the acquisition of the share warrant

Upon approval by the Shareholders' Meeting of the Company of the following bills i, ii, iii, iv, v or vi (or upon acknowledgment of the Board of Directors of the Company if a resolution by the Shareholders' Meeting is not required), the Company may acquire the share warrant free of charge on a date specified separately by the Board of Directors of the Company.

- i Bill for approval of a merger contract based on which the Company is to become a disappearing entity
- ii Bill for approval of a split-up contract or split-up plan based on which the Company is to be split up
- iii Bill for approval of a share-exchange contract or share-transfer plan based on which the Company is to become a wholly-owned subsidiary
- iv Bill for approval of a modification to the applicable provisions in the Memorandum and Articles of Incorporation of the Company prescribing approval of the Company on acquisition by transfer of the Company shares which shall be commonly applicable to all shares issued by the Company
- v Bill for approval of a modification to the applicable provisions in the Memorandum and Articles of Incorporation of the Company prescribing approval of the Company on acquisition by transfer of the Company shares to be obtained upon exercise of the share warrant, or prescribing approval of the Board of Directors of the Company on acquisition of all the aforesaid shares
- vi Bill for approval of the consolidated financial statements including the consolidated statements of income (limited to those in relation to the 20th fiscal year of the Company), in which the Company posted a net loss.

⑦ Policy on the particulars of offering of the share warrant of the reorganized entity upon corporate reorganization

If in the event of merger (when the Company is to become a disappearing entity upon merger), absorption-type split-up or consolidation-type split-up (only when the Company is to be split up), stock exchange or stock transfer (only when the Company is to become a wholly-owned subsidiary) (hereinafter collectively referred to as the “corporate reorganization”) and there is a share warrant holder possessing any remaining share warrant immediately before the effective date of the corporate reorganization (effective date of absorption-type merger through the same, date of incorporation of a consolidated new company through the consolidation-type merger, effective date of absorption-type split-up through the same, date of incorporation of a new split-up company through the consolidation-type split-up, effective date of stock exchange through the same and the date of incorporation of the parent company to be set up through the transfer of shares) (hereinafter referred to as the “remaining share warrant”), share warrant holders in each of the aforesaid cases shall be offered a share warrant of a company provided for in Article 236-1-8(i) to (v) of the Company Act (hereinafter referred to as the “reorganized entity”), provided that the absorption-type merger contract, consolidation-type merger contract, absorption-type split-up contract, consolidation-type split-up, share exchange contract or share transfer plan shall provide for the offering of the share warrant of the reorganized entity in accordance with each of the following.

i Number of the share warrant of the reorganized entity to be offered

The above shall be the same number as the remaining share warrant held by the share warrant holder.

ii Type of shares of the reorganized entity to be obtained upon exercise of the share warrant

The above shall be the ordinary shares of the reorganized entity.

iii Number of shares of the reorganized entity to be obtained upon exercise of the share warrant

The above shall be set forth in view of ① above and in consideration for terms and conditions of the corporate reorganization.

iv Value of assets invested upon exercise of the share warrant

Value of the assets to be invested upon exercise of each share warrant offered shall be the sum of the payment amount after reorganization upon adjustment of the exercise value set forth in ② above in view of the terms and conditions of the corporate reorganization multiplied by the number of shares of the reorganized entity to be obtained upon exercise of the share warrant set forth in accordance with iii above.

v Exercisable period of the share warrant

The above shall be either of the commencement date of the exercisable period of the share warrant set forth in ③ above or the effective date of the corporate reorganization, whichever is later and until the expiry date of the exercisable period of the share warrant set forth in ③ above.

vi Matters in relation to the increased capital and capital surplus at the issuance of new shares upon

exercise of the share warrant

The above shall be subject to the provisions in ④ above.

vii Restrictions on the acquisition of the share warrant by transfer

Acquisition of the share warrant by transfer shall be subject to approval of the Board of Directors of the reorganized entity.

viii Provisions applicable to the acquisition of the share warrant

The above shall be subject to the provisions in ⑥ above.

ix Other terms and conditions applicable to the exercise of the share warrant

The above shall be subject to the provisions in ⑧ below.

⑧ Other terms and conditions applicable to the exercise of the share warrant

In the event of waiver of the share warrant by the holder, such share warrant shall not be exercised.

3. Other terms and conditions of the share warrant

Other terms and condition of the share warrant shall be finalized by the board resolution which resolves the issuance of the share warrant.

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