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June 27, 2011

Company name: Japan Asia Investment Co., Ltd. (JAIC)
Listed on: Tokyo Stock Exchange Section 1 (Stock code: 8518)
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Notice of Issuance of Stock Acquisition rights

At a meeting of the Board of Directors of Japan Asia Investment Co., Ltd. (“the Company”) held on June 24, 2011, it was resolved to issue stock acquisition rights to its directors and employees in accordance with Articles 236, 238 and 240 of the Companies Act.

Details of issuance of stock acquisition rights as compensation to directors are according to the approval in the 29th ordinary shareholders’ meeting.

1. Reasons for issuance of stock acquisition rights as stock options to Directors and Employees

The Company is to issue stock acquisition rights as stock options to directors and employees with the aim of enhancing the corporate value through sharing the same perspective on earnings with the shareholders and raising the motivation and morale of the directors and employees for contributing to improve the Company’s performance.

2. Terms and conditions of stock acquisition rights

(1) Name of stock acquisition rights

Japan Asia Investment Company, Ltd. stock acquisition rights of 2011 year (Incentive-type stock options)

(2) Object person of allotment, number of object persons and number of stock acquisition rights to be allotted

Object person	No. of object persons	No. of stock acquisition rights
Directors	3	360
Senior Operating Officer	1	100
Operating Officer	1	80
Employees	45	1,185

(3) Class and number of shares to be issued or transferred upon exercise of stock acquisition rights

Common stock of the Company and the number of shares to be issued or transferred per stock acquisition right (hereinafter, “Number of Granted Shares”) shall be 1,000 shares of common stock of the Company. If a share split or consolidation is implemented for the common stock of the Company after the allotment of stock acquisition rights (hereinafter, “Allotment Date”), the number of shares to be issued or transferred upon exercise of the stock acquisition rights shall be adjusted in accordance with the following formula. Such

adjustment, however, shall only be made as to the number of shares to be issued or transferred upon exercise of stock acquisition rights but not yet exercised as of the relevant point of time out of all of the stock acquisition rights, and fractional numbers of less than one share arising as a result of adjustment shall be disregarded.

Number of shares after adjustment = Number of shares before adjustment × $\frac{1}{\text{Ratio of stock split or stock consolidation}}$

In addition, if the Company conducts a merger, an absorption-type or incorporation-type company split, or if any other events occur that require an adjustment of shares after Allotment Date, the Company may appropriately adjust the number of shares to a necessary extent.

(4) Total number of stock acquisition rights

1,725 units

The above-mentioned figure is the number to be issued. If the number will be decreased, it will become the total number of stock acquisition rights those will be issued.

(5) The amount to be paid in exchange for stock acquisition rights and the method used to calculate the amount

No payment shall be required for the stock acquisition rights. As no payment is required, it does not fall under advantageous placement.

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

The amount of assets to be contributed upon the exercise of each stock acquisition right shall be the amount obtained by multiplying the paid-in amount per share to be delivered upon the exercise of the stock acquisition rights (hereinafter, "Exercise Price") by the Number of Granted Shares. The Exercise Price shall be the higher of the following two: the amount calculated by multiplying 1.05 by the average of the closing price of the Company's common stock of each day in regular trading during the month (hereinafter, "Closing Price") at the Tokyo Stock Exchange, immediately preceding the month in which the Allotment Date falls (except for days on which transactions were not established), with fractional numbers of less than 1 yen rounded up to the whole yen, or the Closing Price of the Allotment Date (if there is no Closing Price on that date, the Closing Price on the immediately preceding transaction date).

In addition, the Exercise Price shall be adjusted if circumstances below arise after the Allotment Date.

- i) If the Company effects a stock split or stock consolidation of the common stock of the Company, the Exercise Price shall be adjusted in accordance with the following formula, with fractions of less than 1 yen resulting from the adjustment being rounded up to a whole yen.

Exercise Price after adjustment = Exercise Price before adjustment × $\frac{1}{\text{Ratio of stock split (or stock consolidation)}}$

- ii) If the Company issues new shares of its common stock or disposes treasury stock at a price lower than the market price (excluding cases due to sale of treasury stock in accordance with the provisions of Article 194 of the Company Law (Demand for Sale of Shares of Less than One Unit by Holder of Shares of Less than One Unit) and exercise of stock acquisition rights), the Company shall adjust the Exercise Price in

accordance with the following formula, and the fractions of less than 1 yen resulting from the adjustment will be rounded up to a whole yen.

$$\text{Exercise Price after adjustment} = \frac{\text{Exercise Price before adjustment} \times \text{Number of issued shares} + \frac{\text{Number of newly issued shares} \times \text{Paid-in amount per share}}{\text{Market price per share}}}{\text{Number of issued shares} + \text{Number of newly issued shares}}$$

The “Number of issued shares” in the formula above shall exclude the number of treasury stock held by the Company, and if the Company disposes treasury stock, “Number of newly issued shares” shall be read as “Number of treasury shares for disposal”, and “Paid-in amount per share” as “Disposal amount per share”.

- iii) If the Company conducts a merger, corporate split-up or in other cases where adjustment of the Exercise Price is required similarly, the Company shall adjust the Exercise Price to the extent necessary and reasonable.

(7) Period during which stock acquisition rights may be exercised
from July 12th, 2013, to July 11th, 2016

(8) Conditions for the exercise of stock acquisition rights

- i) If a person granted with stock acquisition rights (hereinafter, “Grantee”) is deceased, only one of his or her heirs at law (hereinafter, “Heir”) can assume the right to exercise stock acquisition rights. An heir to the heir of the Grantee may not assume the stock acquisition rights.
- ii) In case of any of the followings, the Grantee loses its status as Grantee and will not be able to exercise the stock acquisition rights.
 - (a) If the Grantee loses its status as director, auditor or employee of the Company, excluding due to retirement with the expiration of term of office, mandatory retirement or other justifiable reason.
 - (b) If the Grantee is sentenced to imprisonment or severer penalty.
- iii) Other conditions shall be as provided in the Stock Acquisition Rights Allotment Agreement that is to be executed between the Company and the Grantee in accordance with resolutions adopted by the Ordinary Shareholders’ Meeting and the Board of Directors of the Company.

(9) Matters concerning the capital and capital reserve to be increased due to issuance of shares upon exercise of the stock acquisition rights

- i) The amount of capital to be increased due to the issuance of shares upon exercise of the stock acquisition rights shall be a half of the maximum amount of capital increase, etc. which is calculated in accordance with Article 17, Paragraph 1 of the Corporation Accounting Regulations, and any fraction less than 1 yen arising thereof shall be rounded up to a whole yen.
- ii) The amount of capital reserve to be increased due to the issuance of shares upon exercise of the stock acquisition rights shall be the amount determined by deducting the amount of capital to be increased provided for in (i) above from the maximum amount of capital increase, etc. set forth in (i) above.

(10) Provision for acquisition of stock acquisition rights

- i) The Company may acquire stock acquisition rights without consideration if a proposal of a merger under which the Company is to be dissolved or a proposal of share exchange or share transfer which makes the Company a wholly owned subsidiary is resolved at the Ordinary Shareholders' Meeting (or resolved by the Company's Board of Directors if the approval at the Ordinary Shareholders' Meeting is not required).
- ii) The Company may acquire stock acquisition rights without consideration if a Grantee does not satisfy the conditions to exercise rights stipulated in the Allotment of Stock Acquisition Rights Agreement and loses its stock acquisition rights.

(11) Restrictions on assignment of stock acquisition rights

Any assignment of stock acquisition rights shall be subject to the approval of the Board of Directors of the Company.

(12) Treatment in accordance with the Acts of Structural Reorganization

If the Company conducts a merger (limited to the case where the Company ceases to exist due to the merger), an absorption-type or incorporation-type company split (both, limited to the case where the Company is split), or a stock exchange or transfer (both, limited to the case where the Company becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "Acts of Structural Reorganization"), the Company shall, in each of the above cases, deliver the stock acquisition rights of any of the relevant companies listed in "a" through "e" of Article 236, Paragraph 1, Item 8 of the Company Law (hereinafter referred to as the "Reorganized Company") to the Grantees holding the stock acquisition rights remaining at the time immediately preceding the effective date of the relevant Act of Structural Reorganization (hereinafter, "Remaining Stock Acquisition Rights"). In this case, the Remaining Stock Acquisition Rights shall be extinguished and the Reorganized Company shall issue new stock acquisition rights; provided, however, that the foregoing shall be on the condition that delivery of such stock acquisition rights by the Reorganized Company in accordance with each of the following items is stipulated in a merger agreement, a consolidation agreement, an absorption-type company split agreement, an incorporation-type company split plan, a stock exchange agreement or a stock transfer plan.

- i) Number of stock acquisition rights of the Reorganized Company to be delivered
A number equal to the number of the Remaining Stock Acquisition Rights held by the Grantee shall be delivered to such Grantee.
- ii) Class of shares of the Reorganized Company to be issued or transferred upon exercise of the stock acquisition rights
Shares of common stock of the Reorganized Company.
- iii) Number of shares of the Reorganized Company to be issued or transferred upon exercise of the stock acquisition rights
To be determined in accordance with (3) above, taking into consideration the conditions, etc. of the Acts of Structural Reorganization.
- iv) Amount of assets to be contributed upon the exercise of the stock acquisition rights
The amount of assets to be contributed upon exercise of each stock acquisition right to be delivered shall be the amount obtained by multiplying the paid-in amount after reorganization to be determined by adjusting the Exercise Price defined in (6) above by the number of shares of the Reorganized Company to be issued or transferred upon exercise of the relevant stock acquisition rights as determined in accordance with iii) above, taking into consideration the conditions, etc. of the Acts of Structural Reorganization.
- v) Period during which stock acquisition rights may be exercised
From and including whichever is the later of the commencement date of the period

during which the stock acquisition rights may be exercised as provided for in (7) above, or the effective date of the Acts of Structural Reorganization, to and including the expiry date of the period during which the stock acquisition rights may be exercised as provided for in (7) above.

- vi) Matters concerning the capital and capital reserve to be increased due to the issuance of shares upon exercise of stock acquisition rights
To be determined in accordance with (9) above.
- vii) Restrictions on acquisition by assignment of stock acquisition rights
Acquisition by assignment of the stock acquisition rights shall require an approval of the Board of Directors of the Reorganized Company.
- viii) Provision for acquisition of stock acquisition rights
To be determined in accordance with (10) above.

(13) Handling of fractions less than 1 share resulting from the exercise of stock acquisition rights

In the case where the number of shares to be delivered to the Grantees who have exercised the Stock Acquisition Rights includes any fraction less than 1 share, such fraction shall be disregarded.

(14) Allotment Date
July 11th, 2011

(15) Issuance of Certificates

The Company does not issue the certificates of stock acquisition rights.